

GULF OF MEXICO FISHERY MANAGEMENT COUNCIL

ADMINISTRATIVE/BUDGET COMMITTEE

IP Casino and Resort Biloxi, Mississippi

OCTOBER 17-19, 2016

VOTING MEMBERS

- 10 Kelly Lucas (designee for Jamie Miller).....Mississippi
- 11 Doug Boyd.....Texas
- 12 Chris Blankenship.....Alabama
- 13 Campo Matens.....Louisiana
- 14 Robin Riechers.....Texas
- 15 Ed Swindell.....Louisiana
- 16 David Walker.....Alabama

NON-VOTING MEMBERS

- 19 Patrick Banks.....Louisiana
- 20 Leann Bosarge.....Mississippi
- 21 Roy Crabtree.....NMFS
- 22 Pamela Dana.....Florida
- 23 LCDR Leo Danaher.....USCG
- 24 Dale Diaz.....Mississippi
- 25 Dave Donaldson.....GSMFC
- 26 Tom Frazer.....Florida
- 27 John Greene.....Alabama
- 28 Martha Guyas (designee for Nick Wiley).....Florida
- 29 John Sanchez.....Florida
- 30 Greg Stunz.....Texas

STAFF

- 33 Steven Atran.....Senior Fishery Biologist
- 34 John Froeschke.....Fishery Biologist - Statistician
- 35 Douglas Gregory.....Executive Director
- 36 Morgan Kilgour.....Fishery Biologist
- 37 Mara Levy.....NMFS
- 38 Jessica Matos.....Administrative Assistant
- 39 Ryan Rindone.....Fishery Biologist/SEDAR Liaison
- 40 Claire Roberts.....EFH Specialist
- 41 Bernadine Roy.....Office Manager
- 42 Charlotte Schiaffo.....Research and Human Resource Librarian
- 43 Carrie Simmons.....Deputy Director

OTHER PARTICIPANTS

- 46 Pam Anderson.....Panama City, FL
- 47 Shane Bonnof.....Houston, TX
- 48 Eric Brazer.....GMRFSA

1 J.P. Brooker.....Ocean Conservancy
2 Myron Fischer.....LA
3 Richard Fischer.....LA
4 Traci Floyd.....MS DMR
5 Troy Frady.....Lillian, AL
6 Sue Gerhart.....NMFS
7 Chad Hanson.....Pew Charitable Trusts
8 Scott Hickman.....Galveston, TX
9 Bill Kelly.....FKCFA
10 Jack McGovern.....NMFS
11 Gary Morgan.....CLS America
12 Charlie Phillips.....SAFMC
13 Bonnie Ponwith.....SEFSC
14 Lance Robinson.....TX
15 Dale Stevens.....Pascagoula, MS
16 Tom Wheatley.....Pew Charitable Trusts, Tampa, FL

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TABLE OF MOTIONS

PAGE 9: Motion to recommend that the council adopt that, beginning December 31, 2017, accrued annual leave in excess of 480 hours at the end of each calendar year will be converted to sick leave and that any annual leave used will first come out of the grandfathered balance. The motion carried on page 18. The motion was reconsidered on page 37.

PAGE 29: Motion that upon separation of employment or upon retirement, leave can be paid out either as a lump sum or as a payment every two weeks, at the employee's discretion. Upon separation of employment due to cause leave will be paid as a lump sum payment only. When leave is paid out as a payment every two weeks, due to separation from employment, accrual of further leave will not be allowed during the pay-out period. Any person hired after December 31, 2016, upon separation of employment, will be paid any applicable unused leave in a lump sum payment. The motion carried on page 32.

PAGE 37: Motion that beginning December 31, 2017, accrued annual leave in excess of 480 hours at the end of each calendar year will be converted to sick leave. The motion carried on page 39.

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1 The Administrative/Budget Committee of the Gulf of Mexico
2 Fishery Management Council convened at the IP Casino and Hotel,
3 Biloxi, Mississippi, Monday afternoon, October 17, 2016, and was
4 called to order by Chairman Kelly Lucas.

5
6 **ADOPTION OF AGENDA**
7 **APPROVAL OF MINUTES**
8

9 **CHAIRMAN KELLY LUCAS:** I am going to go ahead and make sure
10 everybody is here. I see Mr. Riechers stepped away. We have
11 Mr. Blankenship and Mr. Boyd and Mr. Matens and Mr. Swindell and
12 Mr. Walker. I think I have a quorum.

13
14 To begin with, we have Adoption of the Agenda. Are there any
15 changes to the agenda? Are there any objections to the agenda?
16 Seeing none, we will move forward. Next, we're on to Approval
17 of the Minutes. Are there any corrections or changes to the
18 minutes? Do I have a motion to approve the minutes?

19
20 **MR. DOUG BOYD:** So moved.

21
22 **CHAIRMAN LUCAS:** We have a second from Mr. Walker. Any
23 objections? Seeing none, Mr. Gregory, I think that turns it
24 over to you for Tab G, Number 3.

25
26 **REVIEW OF STATE, COUNCIL, AND NMFS ANNUAL LEAVE POLICIES**
27

28 **EXECUTIVE DIRECTOR DOUG GREGORY:** Okay. We've got just the two
29 items to address today. One is that the council, in August,
30 requested additional information about the annual leave policies
31 of the Gulf States and National Marine Fisheries Service before
32 making a decision regarding proposed changes in the annual leave
33 policy. I need the council to make three motions with respect
34 to this. The other item is a review of bonuses that have been
35 given since the bonus program started in 2009, and no action is
36 needed on that. We will start with 4(a).

37
38 Tab G-4(a) and 4(b), 4(b) contains a summary of the state and
39 council policies of the other seven councils, as well as
40 National Marine Fisheries Service, as far as how many hours are
41 allowed to be accrued in a year and how it's handled upon
42 separation from employment, and this is very abbreviated,
43 because it does get complicated.

44
45 Sometimes the rule change, depending on what category of
46 employee there is, but, in general, 240 or 480 hours is what is
47 used. Mississippi and Louisiana have a policy similar to the
48 current council policy of unlimited leave, from what we could

1 tell from the employment books that we found online, employee
2 manuals.

3
4 On 4(a), this is the same thing that you saw in August. I have
5 noted that we need three motions. The first one is -- What I am
6 proposing is we currently have a policy of unlimited leave that
7 can be accrued. I want to change that to put a cap on leave, an
8 annual cap, and I am proposing, or suggesting, 480. It's
9 similar to what the South Atlantic Council has and similar to
10 what some of the states have. Then, at the end of the year, if
11 somebody has more than 480 hours, that rolls over to sick leave,
12 rather than being forfeited.

13
14 In addition, I am proposing that the current leave levels that
15 staff have at the end of this year be grandfathered in, because
16 some people have more than 480 hours, and it's wise to just
17 grandfather those in, and that will be reduced as they are used.
18 That's the first motion that I wanted to get from the committee,
19 and I will answer any questions, if you have them, about this.

20
21 **CHAIRMAN LUCAS:** Mr. Blankenship.

22
23 **MR. CHRIS BLANKENSHIP:** I just had a clarification question on
24 what happens in January of 2017 with people that have balances
25 over the 480. If they have 500 hours now, and they get twenty-
26 six days in 2017, and they only take twenty-five days, they are
27 just going to continue to keep their balance over 480 forever if
28 they don't take their days to get down to 480?

29
30 **EXECUTIVE DIRECTOR GREGORY:** Yes, and that doesn't reduce until
31 it's used, and it's not just the employees that have more than
32 480 hours. Say, if I've got fifteen hours on December 31, those
33 fifteen hours will be grandfathered in, but, as I use it, as it
34 goes down, it won't stay at fifteen. It will reduce as they are
35 used. Is that clear? I'm not sure.

36
37 **MR. BLANKENSHIP:** I am thinking about the people that have more
38 than 480. If they have less than 480, then it's not a problem,
39 because, after January 1 of 2017, until they get to 480 or more,
40 you don't have to worry, at the end of the year, about whether
41 to carry it over or convert it to sick leave, but, for people
42 that have over 480 hours at the end of December of this year --
43 I am trying to understand how you're going to handle that excess
44 over 480 that they're carrying over into 2017, plus the addition
45 of the time that they earn moving forward, minus what they take
46 in 2017.

47
48 **EXECUTIVE DIRECTOR GREGORY:** Right. If somebody has 500 hours

1 at the end of 2016, say January 1 of 2017, if they've got 500
2 hours, that is grandfathered in. If they use less hours during
3 2017 than they accrue, that 500 stays on the books. It stays on
4 the books until it's used, and so each employee will have two
5 different buckets of leave, one that's grandfathered in as of
6 January 1 and the other one that is accrued annually.

7
8 If you exceed the ones you have accrued annually, that rolls
9 over, and so, if I have 500 hours on January 1 and that's
10 grandfathered in, and then if I accumulate another 500 hours in
11 2017, that second 500 hours will be reduced to 480, and the
12 twenty hours will go to sick leave, but the one I started out
13 with on January 1 stays in place. It is grandfathered in.

14
15 **MR. BLANKENSHIP:** I don't want to be hard-headed, but I just
16 want to make sure that I understand. So you're really
17 grandfathering in the time that is over 480 hours on January 1.

18
19 **EXECUTIVE DIRECTOR GREGORY:** We are grandfathering in the leave
20 that everybody has of January 1, whether it's over 480 or under
21 480. Let's say if I've got fifty hours of leave on January 1,
22 it will stay there until I use it. If, during 2017 and 2018, if
23 I use less leave than I accrue, that fifty hours stays there,
24 because I haven't used it.

25
26 **CHAIRMAN LUCAS:** Mr. Boyd.

27
28 **MR. DOUG BOYD:** I think I understand what you're saying, but
29 it's not what I thought we were doing, but I am willing to
30 listen. What you're saying is, as of January of 2017, there
31 will be two buckets of leave. One is whatever is grandfathered
32 in and one is whatever is accrued from this point forward, to a
33 maximum of 480 hours per year. Is that correct?

34
35 **EXECUTIVE DIRECTOR GREGORY:** Correct.

36
37 **MR. BOYD:** In effect, what can happen is, if you have 500 hours,
38 like you said, at the end of next year, you could end up with
39 980 hours.

40
41 **EXECUTIVE DIRECTOR GREGORY:** If the person does not take any
42 leave at all.

43
44 **MR. BOYD:** If they don't take any leave.

45
46 **EXECUTIVE DIRECTOR GREGORY:** 480 is what would be accrued,
47 because we also have different amounts. If you're a brand-new
48 employee, you can accrue four hours a pay period. If you've got

1 a certain number of years, you get six hours a pay period. I
2 think, if you've got eleven years of service, it's eight hours a
3 pay period, and so not everybody is going to accrue that 480
4 either, but, basically that's it.

5
6 Come January 1, I will have two buckets of leave. One starts
7 out at zero and one is whatever I had at that point in time, and
8 they're handled differently. If I want to take two weeks of
9 leave in January, and I have no leave in the accrued bucket, it
10 has to come out of the grandfathered bucket, and then that
11 grandfathered bucket gets reduced accordingly. It doesn't stay
12 at the high level. It goes down until it's used, as it's used.

13
14 **MR. BOYD:** Okay. Two additional questions. Does any leave that
15 you use come out of the grandfathered bucket first? Then, once
16 that's all used up, you start using up your maximum annual
17 leave?

18
19 **EXECUTIVE DIRECTOR GREGORY:** No, I haven't proposed anything
20 like that, because we're going from unlimited leave now to a
21 cap, and so I didn't want to be unduly restrictive or
22 complicated with it.

23
24 **MR. BOYD:** Okay. The second question is, and I cannot remember
25 the SOPPs or the administrative manual, but do we have a
26 mandatory amount of leave, vacation, that has to be used each
27 year for administrative purposes?

28
29 **EXECUTIVE DIRECTOR GREGORY:** No, we don't.

30
31 **MR. BOYD:** Not for audit purposes or anything else?

32
33 **EXECUTIVE DIRECTOR GREGORY:** No.

34
35 **CHAIRMAN LUCAS:** All right. Any additional questions? Mr.
36 Walker, do you have a question?

37
38 **MR. DAVID WALKER:** I just had a question. Say you have 500
39 hours accumulated and then you get an additional 480, or say you
40 got 500 more the next year, but you can only have 980. What
41 about the third year? Can you accumulate another 480?

42
43 **EXECUTIVE DIRECTOR GREGORY:** No. The new bucket, which is your
44 accrual bucket, has a 480-hour limit every year, and so whatever
45 you have above that every year gets rolled over to sick leave,
46 and so you don't get 480 plus 480 plus 480.

47
48 **CHAIRMAN LUCAS:** All right. Any other questions? Do we have a

1 motion? Dr. Crabtree.

2
3 **DR. ROY CRABTREE:** Doug, what happens when an employee
4 terminates or retires? What happens with their sick leave?

5
6 **EXECUTIVE DIRECTOR GREGORY:** The policy is that you will be paid
7 half your sick leave upon retirement, and retirement is age
8 fifty-five with ten years of service. You get half your sick
9 leave up to I think it's 1,200 hours. There is a limit, and I
10 don't recall exactly what it is, but you don't get all your sick
11 leave. You get half of it, up to a certain limit, that the
12 council set years ago, and I haven't changed that at all. Now,
13 upon normal separation, say if somebody just leaves, they don't
14 get any sick leave.

15
16 **CHAIRMAN LUCAS:** All right. Do we have a motion or any
17 suggestions for changes or anything?

18
19 **EXECUTIVE DIRECTOR GREGORY:** Again, we currently have unlimited
20 accrual of leave. I am proposing that we put a cap on it of
21 either 200 or 480, and I preferred the 480, since we are going
22 from an unlimited amount, and that's the motion I'm looking for.

23
24 **CHAIRMAN LUCAS:** Mr. Boyd.

25
26 **MR. BOYD:** Okay. Let me put a motion out there and let's get
27 some discussion on it. **I move that, beginning December 31,**
28 **2017, accrued leave in excess of 480 hours at the end of each**
29 **calendar year will be converted to sick leave, and 480 hours,**
30 **and I don't know exactly how you want to say this, Doug, but is**
31 **the maximum amount of leave that may be accrued and that current**
32 **sick leave balances be grandfathered.**

33
34 **EXECUTIVE DIRECTOR GREGORY:** Current annual leave balances.

35
36 **MR. BOYD:** Yes, I'm sorry. **I said sick leave, but current --**
37 **Any sick leave used will come out of the grandfathered balance**
38 **until used.**

39
40 **EXECUTIVE DIRECTOR GREGORY:** It should be annual leave and not
41 sick leave, but are you proposing that in 2017 that whatever
42 leave I take has to come out of the grandfathered leave first?

43
44 **MR. BOYD:** That's the motion.

45
46 **EXECUTIVE DIRECTOR GREGORY:** Which is not -- Okay.

47
48 **MR. BOYD:** In other words, what happens is you have the two

1 buckets. You are using what you have been grandfathered until
2 it's gone. If you don't use it, it's there for you for the
3 future, but, if you do use it, and you get down to zero, you
4 have 480 hours, if you haven't used any of that.

5
6 **EXECUTIVE DIRECTOR GREGORY:** I have a question. So your
7 intention is, is I have 600 hours at the end of this year, and
8 that's my grandfathered leave, and I don't use it up, but I
9 accrue 490 hours during the year, I am basically capped at that
10 480 plus my 600 that I started with, because I may not use that
11 much leave. The fact that I have accrued that much leave, and I
12 am talking hypothetical, because I don't have that much leave,
13 but the fact that I have accrued that much leave means I am not
14 taking leave. What this motion essentially will do will cap a
15 person's leave at what they have now plus 480.

16
17 **MR. BOYD:** That is correct, and I believe that people who have
18 accrued that much leave that being grandfathered is fine, and
19 that's not a problem, but I just believe that you need to use
20 what you've already gotten in the past, until it's gone, and
21 then you're under the new program from that point, just like any
22 new employee would be.

23
24 **EXECUTIVE DIRECTOR GREGORY:** If I accumulated more than 480
25 hours in 2017, the excess would roll over to sick leave, and I
26 would be capped at the 480. What that means is if I have to
27 take all my leave from the grandfathered bucket and I can't -- I
28 don't have enough time to take enough leave, and all the leave I
29 will accumulate in the second year, 2018, will essentially be
30 lost at the end of that year. That's what is going to happen.

31
32 **MR. BOYD:** It's going to be lost anyway. If you're a new
33 employee, and let's that scenario, if I am thinking correctly.
34 If you're a new employee and you accumulate leave, you can get
35 up to 480, right?

36
37 **EXECUTIVE DIRECTOR GREGORY:** Carrie has a comment.

38
39 **DR. CARRIE SIMMONS:** Just to remind the committee, if you are a
40 new employee, I believe it's four hours of accrued annual leave,
41 up to three years of service, and so that would be 104 hours in
42 your first year. Then, if you get six hours, that's 156 hours
43 of annual leave. If you get eight hours, if you've been there
44 over eleven years, at the Gulf Council, you can get up to 208
45 hours. That is twenty-six days annually, and so nobody is
46 getting up to 240 or 480 hours of annual leave in a year. Thank
47 you.

1 **MR. BOYD:** Then that doesn't make much sense that we're talking
2 about 480 if we can't get there, but my thought was that every
3 year you accumulate some more, and, at some point in your
4 career, you could get to 480.

5
6 **EXECUTIVE DIRECTOR GREGORY:** Right. My concern is some staff --
7 This policy of unlimited leave has been in place for probably
8 fifteen years or so. Some staff have accumulated so much leave
9 that they will never use it, and so they're going to, I guess,
10 be impacted by this more than new employees, because they will
11 never be able to use their grandfathered leave, and so there
12 won't be a year -- Not next year, like I said the first time,
13 but, three or four years from now, where they just will lose
14 their leave every year. It will be converted to sick leave,
15 which is better than having it forfeited, but we have some staff
16 that have quite a bit of leave that's been accumulated over the
17 last twelve years.

18
19 **MR. BOYD:** Maybe I am confused. If we're starting the new
20 bucket, everybody is under the same rules in the new bucket, and
21 so they're not going to get to 480 either in the new bucket.

22
23 **EXECUTIVE DIRECTOR GREGORY:** They will if they are required to
24 take all their near-term future leave out of the grandfathered
25 bucket. They will never touch the accrued bucket, because they
26 have so much leave accrued already.

27
28 Let's say if somebody has been -- This is probably somebody
29 that's been there long enough to get eight hours a pay period,
30 and so they can get 208 hours of annual leave a year. That
31 means, within three years, they will have met their cap there,
32 and they will still be working off of their grandfathered leave,
33 if they take any leave, much leave at all, and so that 480 cap -
34 - They will lose all future leave after that, from three years
35 hence.

36
37 **MR. BOYD:** Well, there is two points there. One is you're not
38 going to lose it, quote, unquote, because you're going to
39 convert it into sick leave. The other point is there is a
40 maximum we're trying to get to, and so, yes, anything above the
41 480 would be the maximum. That's what we're trying to put in,
42 is a maximum amount, and so, yes, they would lose it after that.
43 So would any other employee who gets to 480.

44
45 **EXECUTIVE DIRECTOR GREGORY:** My concern is that we're going to
46 have a rush of some employees wanting to take a lot of time off.
47 That's my concern.

1 **MR. BOYD:** Well, if they took a lot of time off, either way,
2 they're burning their leave.

3
4 **EXECUTIVE DIRECTOR GREGORY:** I am sorry. I am not trying to
5 argue with you.

6
7 **MR. BOYD:** No, that's fine. Argue with me. The point is, and
8 you and I have talked about this a lot, Doug, but the point is
9 we want to get to where there is some maximum accrual of leave,
10 and we also, I think, and this is different topic completely, is
11 we need to get to some use of that leave each year for
12 administrative purposes and for audit purposes.

13
14 In my opinion, it's a dangerous practice to have someone who can
15 go for years in any organization without ever leaving their
16 post, and so I would like to see something like that, but that's
17 a different topic. The topic here is, if we're going to move
18 from an unlimited amount of leave that can be accrued to an
19 amount that is a maximum, then it's a maximum, whatever it is.

20
21 **CHAIRMAN LUCAS:** I have a motion on the board, and I don't know
22 if we want to have a second on the motion before we continue the
23 discussion.

24
25 **MR. LANCE ROBINSON:** I will second it.

26
27 **CHAIRMAN LUCAS:** Thank you, Mr. Robinson. All right. Camp has
28 some discussion.

29
30 **MR. CAMPO MATENS:** I've been waiting for the second, patiently,
31 I might add. I worked for a long time, and leave and sick leave
32 are not supposed to be enhancements to retirement. Leave is
33 supposed to be to get away from the office and relax your brain
34 and take a break with your family. How do we accrue sick leave?

35
36 **EXECUTIVE DIRECTOR GREGORY:** We have some healthy employees.

37
38 **MR. MATENS:** But how do you accrue sick leave?

39
40 **EXECUTIVE DIRECTOR GREGORY:** You accrue sick leave at four hours
41 per pay period working.

42
43 **MR. MATENS:** So you can accrue a hundred hours a year, thirteen
44 days. That is unlimited?

45
46 **EXECUTIVE DIRECTOR GREGORY:** Yes. When you retire, you get half
47 of it, up to a certain limit. If you simply move on, what I
48 call normal separation, you don't get any sick leave payout.

1
2 **MR. MATENS:** Okay, but you can retire at ten years. This is
3 interesting, for me. My personal position is the purpose of
4 leave is to give an employee a break from the grind of work, and
5 I pose this question, I hope, without prejudice. An employee
6 wants to take a couple of days off. Do they take it as sick
7 leave or annual leave?

8
9 **EXECUTIVE DIRECTOR GREGORY:** Annual leave, unless they're sick.
10 If a person takes more than three days off, we make them
11 complete a form. If it's sick leave, we make them document not
12 the exact purpose, but have a doctor's note or give us some
13 documentation as to why they were out for more than three days.

14
15 **MR. MATENS:** Well, I feel like whoever it was over there, Doug I
16 think, said, but I'm not trying to be a jerk about this. This
17 is a management process that is there for a reason, and it's
18 been subverted, and it has changed into a retirement
19 enhancement, and that's a problem for me.

20
21 **CHAIRMAN LUCAS:** To that point, Dr. Crabtree?

22
23 **DR. CRABTREE:** I just want to make sure I'm understanding what
24 the potential financial liability to the council would be if you
25 pass this, and I'm not on your committee, but, as I understand
26 it, if you did this, then you carry over 480 hours. Then you
27 can potentially, if you've been here for I think it was eleven
28 years or whatever, and you're in the eight hours per pay period,
29 and you didn't take any annual leave in your final year of work,
30 so you could carry another 208 hours. Then I believe the cap I
31 heard was 1,200 hours is the cap on sick leave, and you can get
32 paid for half of it, and is that correct?

33
34 **EXECUTIVE DIRECTOR GREGORY:** I think so. I'm not sure. Can you
35 look it up for me, Carrie? Charlotte is saying yes.

36
37 **DR. CRABTREE:** Potentially, an employee could, at retirement, be
38 paid for 1,288 hours. Is that correct?

39
40 **EXECUTIVE DIRECTOR GREGORY:** Yes.

41
42 **DR. CRABTREE:** That's a pretty significant -- That's a generous
43 payout.

44
45 **EXECUTIVE DIRECTOR GREGORY:** If I may, that's why I am proposing
46 a cap. Right now, and we are going to address this in the next
47 item or motion, but the current policy has been to let an
48 employee run out their annual leave and/or sick leave, if

1 they're retired, biweekly and stay on the payroll for two years
2 or more.

3
4 I am trying to stop that from continuing into the future, so
5 that -- Right now, we have just a few employees in that
6 category. Without the cap, we could have a lot of employees in
7 that category, and so what this is doing, this cap, is reducing
8 the financial burden on the council, the potential future
9 financial burden.

10
11 **DR. CRABTREE:** I get that, and I understand and agree with that,
12 but these things need to be capped. I am just pointing out that
13 it still leaves you in a situation where you could be paying out
14 -- Basically, a year is 2,080 hours, I think, and so you're
15 talking about paying half of someone's salary out to them when
16 they terminate, and that would seem to be the total liability
17 the council could have on an employee, and it might be less.

18
19 **CHAIRMAN LUCAS:** Mr. Boyd.

20
21 **MR. BOYD:** Mr. Gregory, let me try to clarify something that Dr.
22 Crabtree said, just to make sure I understand. He used the
23 scenario of the last year of someone's employment, and they have
24 480 hours accrued of leave. They would not get any more added
25 to their accrued leave that last year, because they already have
26 480 hours, and is that correct?

27
28 **EXECUTIVE DIRECTOR GREGORY:** If I have 480 hours of accrued
29 leave as of January 1, 2020, and if I quit on December 28 at the
30 end of 2020, and I don't use any leave at all that year, I have
31 my 480 plus the 208 that I accrued that year, because I don't
32 lose it until the end of the year, and so, being strategic, I
33 will quit before December 31, so I wouldn't lose it, and so,
34 yes, that 200 hours could be on top of the 480, plus the
35 grandfathered leave.

36
37 **MR. BOYD:** Then I need to modify my motion to -- Again, I can't
38 read the motion from here, but 480 hours is the maximum at any
39 given time. That's what I thought we were saying. In other
40 words, you can't have a two-day window in there where you get
41 another two-hundred-and-something hours. 480 is your maximum.
42 Anything above 480, at any given time, would roll to sick leave,
43 as you suggested.

44
45 **EXECUTIVE DIRECTOR GREGORY:** Most organizations do this at the
46 end of the year. I have never heard of it being a rolling cap
47 like that.

48

1 **CHAIRMAN LUCAS:** I have Chris Blankenship first and then Dr.
2 Crabtree.

3
4 **MR. BLANKENSHIP:** I was just going to say that, with us, you
5 have 480 at the end of the year, but then, as you start to
6 accrue leave, you will get over 480 throughout the year. Then,
7 when it comes to December 31, you will have either had to have
8 used the leave you accumulated over 480 by December or you lose
9 that leave above 480 at the end of the year, and so there will
10 be times during the year where you will be over.

11
12 If you wanted to take a vacation say in September, as you start
13 accumulating leave in January, you will build that up. I think,
14 throughout the year, you will have balances over 480, but what
15 really matters is what happens on December 31.

16
17 **CHAIRMAN LUCAS:** Dr. Crabtree.

18
19 **DR. CRABTREE:** That's the way it is in the federal government,
20 except that, with us, the cap is 240 hours of what you can carry
21 over, and so you wouldn't have more than a little over 400 hours
22 at the end of it, and Doug is right that most employees retire
23 in December some time.

24
25 The other thing in federal service though is we do not get paid
26 for any of the sick leave when you retire, but the sick leave is
27 counted to your time in service, when they figure how many years
28 you have in.

29
30 **CHAIRMAN LUCAS:** Ms. Bosarge.

31
32 **MS. LEANN BOSARGE:** Thank you. I am not on your committee, but
33 I was just going to play devil's advocate just for a second, and
34 I'm trying to put myself in somebody else's shoes. I agree with
35 Camp that we don't want this to be used as a supplement to
36 retirement.

37
38 On the flip side of that though, if we have allowed it all of
39 this time, and that has essentially been a planning tool for
40 that individual, I think that's the important part of the
41 grandfathered.

42
43 Going forward, we don't want to encourage that, but I don't want
44 to punish someone that was a forward-thinking person and planned
45 that way and then we kind of forced them to start using that
46 down, and I have no idea who these people may be and how close
47 to retirement they may be, but, if they are close to retirement,
48 I would hate to throw that at them at the last minute too, and

1 so just do whatever you please, but I just want to try and think
2 about it from the other angle too. Do we want to truly
3 grandfather it, rather than make them take it out of that every
4 time, which is essentially going to make it go away?
5

6 **CHAIRMAN LUCAS:** All right. Thank you. Just one second, Camp.
7 Mr. Boyd was in the process of modifying his motion, and I
8 wanted to see where he stood.
9

10 **MR. BOYD:** I think, based on what Chris said, that I will not
11 modify my -- If that is the way the government is using it and
12 that's the way you all are using it, I think that's fine.
13

14 **CHAIRMAN LUCAS:** All right. Thank you. Mr. Matens.
15

16 **MR. MATENS:** I think we're kind of shooting from the hip here.
17 It's difficult to look at all of these numbers without real
18 numbers. What is the financial liability of this organization?
19 I think I would like to know what that is and what are some
20 alternatives.
21

22 I will just be honest with you. I was tempted to make a
23 substitute motion to change the 480 to 240, but that's just
24 reacting, and I don't know what that means, and I would like to
25 know what that means. Can I suggest that we ask Doug to give us
26 some numbers? What is the reality of this? Can we revisit this
27 at a later date?
28

29 **EXECUTIVE DIRECTOR GREGORY:** That's what you asked me to do in
30 August. The reality is, currently, it's unlimited. Currently,
31 it's unlimited, and the impact is growing, because the National
32 Marine Fisheries Service allows us to put money into a bank
33 account to cover this leave. That's money that comes out of our
34 operational budget, and so, by putting a cap of 480 hours, in
35 essence, in my mind, we have solved that problem and we won't
36 have that problem in the future.
37

38 **MR. MATENS:** To that point, we don't -- Do we know, given the
39 present staffing position, ten years out, if we don't do
40 anything, what does it cost us? If we do this, what does it
41 cost us?
42

43 **EXECUTIVE DIRECTOR GREGORY:** We try to maintain the bank account
44 at least 75 percent funded, under the presumption that everybody
45 leaves at once, and so we've got that money in the bank account
46 for the leave that we have accumulated now. Going forward, that
47 burden will -- It's like, I think, funding a pension upfront.
48 That burden will grow, but this is an opportunity to prevent

1 this burden from growing into the future.

2
3 I mean, it has grown in the past. It's not unsustainable. It's
4 something we're managing, and so the cap really just prevents a
5 future problem from occurring with having to have an excess
6 amount of money set aside. It's similar to funding a pension
7 upfront, rather than winging it at the end. We're funding these
8 leave accumulations upfront.

9
10 **MR. MATENS:** I understand that. How much money do we have in
11 this account? Forgive me, Doug. I am not trying to put you on
12 the spot, and I don't doubt that you don't know. I probably
13 wouldn't either.

14
15 **EXECUTIVE DIRECTOR GREGORY:** I don't have Beth in my ear right
16 now, but I think it's up to \$300,000, and we're covering both
17 annual leave and sick leave.

18
19 **MR. MATENS:** Good. If we stay where we are now and we keep the
20 status quo, in X number of years, and pick a number, ten or
21 five, what will we have in that account? What will we have
22 funded that account to? If we go to this, in that same period
23 of time, what differential is it?

24
25 **EXECUTIVE DIRECTOR GREGORY:** If we go to the 480 hours, we will
26 basically cap it where we are now, as far as exposure goes. If
27 we continue unlimited, I don't know what the trajectory is.

28
29 **MR. MATENS:** I have another question, and it's somewhat off the
30 subject, but it's not. Your employees, I'm sure, work more than
31 a forty-hour week, many of them. There are a whole bunch of
32 them right here away from home, and is that taken care of in
33 your system. Do they get compensatory time?

34
35 **EXECUTIVE DIRECTOR GREGORY:** We keep track of compensatory time,
36 and we accumulate compensatory time when we travel, public
37 hearings and council meetings. It's coming in early and staying
38 late and traveling on the weekend. For the most part, people
39 use it as they accumulate it. There is no real accumulation.
40 We did put a cap last year, or two years ago, when we revised
41 the handbook, of 120 hours of comp time, maximum. Nobody can
42 accumulate more than that and have that on the books, and so
43 we're comfortable there.

44
45 **MR. MATENS:** Well, I'm sure that you are, but, going back to my
46 original statement, what is the purpose of annual leave? I
47 think the purpose of annual leave is to have employees get off
48 the job and get their minds squared away from highly stressful

1 jobs.

2
3 Right now, it looks like that we've corrupted the system or
4 we've changed the system, so that you can get off on
5 compensatory time and convert this all to retirement pay, and
6 I'm uncomfortable with that.

7
8 **EXECUTIVE DIRECTOR GREGORY:** Some of us just live to serve the
9 council and don't take annual leave.

10
11 **MR. MATENS:** No, Doug, I hope that you don't. You're too
12 valuable on the job.

13
14 **CHAIRMAN LUCAS:** All right. We have a motion on the board, and
15 we've had plenty of discussion of the motion. Let's just go
16 ahead and take a vote on this motion. Mr. Swindell.

17
18 **MR. ED SWINDELL:** What happens to sick leave? Does sick leave
19 continue to accrue each year, or is there a limit of sick leave
20 for the year?

21
22 **EXECUTIVE DIRECTOR GREGORY:** There is no limit on sick leave.

23
24 **CHAIRMAN LUCAS:** Mr. Walker had a follow-up on that.

25
26 **MR. WALKER:** Has anyone ever reached 1,200 hours? Was that the
27 cap for sick leave? Are you able to donate some of your sick
28 leave time to others who work with you?

29
30 **EXECUTIVE DIRECTOR GREGORY:** Yes, we have a policy where, if
31 someone is out, particularly with FMLA, which is like a three-
32 month protected leave situation, if they don't have enough leave
33 to cover their hours, I have the discretion of authorizing other
34 staff to donate leave to them, and we have done that in the
35 past, and so, yes. People who have had a lot of leave have been
36 fairly generous in donating leave to others who have needed it.

37
38 **CHAIRMAN LUCAS:** All right. Thanks. There is a motion on the
39 board. **All those in favor of the motion, please raise your**
40 **hand.**

41
42 **EXECUTIVE DIRECTOR GREGORY:** **Six.** If I may, the intent is, on
43 that last line, annual leave used will first come out of
44 grandfathered balance. I just wanted that clarification.

45
46 **MR. BOYD:** Yes, and I took that from your second blue paragraph
47 in here, where it says that employees will have their current
48 accrued annual leave grandfathered at the existing level, but

1 will be reduced as it is used.
2
3 **EXECUTIVE DIRECTOR GREGORY:** But that wasn't the intent. What
4 is in my document here is not the same as your motion.
5
6 **MR. BOYD:** It says "but will reduced as it is used". I'm just
7 saying that it is used first.
8
9 **EXECUTIVE DIRECTOR GREGORY:** Right, but that's a major
10 difference.
11
12 **CHAIRMAN LUCAS:** All right, Mr. Gregory. I know that took care
13 of two of your three motions that you needed. No, it didn't.
14 It took care of one, but I am going to ask real quick though,
15 because I am running over, but what is the pleasure of Madam
16 Chair?
17
18 **EXECUTIVE DIRECTOR GREGORY:** Maybe these next two will be less
19 complicated.
20
21 **MS. BOSARGE:** All right. I will give you about ten more
22 minutes, and then, whatever we don't finish, we will work on at
23 Full Council. Luckily, tonight, we have a closed session, and
24 so we can just work late if we need to.
25
26 **CHAIRMAN LUCAS:** All right. Thank you. Go ahead, Mr. Gregory.
27
28 **EXECUTIVE DIRECTOR GREGORY:** The blue paragraph at the bottom
29 that is struck out is what I presented to you in August. Upon
30 further discussion with staff -- What that blue paragraph that
31 we struck out says is it's up to the discretion of the Executive
32 Director whether somebody gets paid a lump sum or gets to use
33 their annual leave and sick leave biweekly, get paid biweekly.
34
35 I am changing that and breaking it into two parts, because one
36 thing is somebody that has accumulated leave, if you give them a
37 lump sum payment, it's a really heavy tax burden on them, and,
38 since our policy historically has been, and, even though it
39 wasn't written in the handbook, it's been handled this way.
40
41 Upon separation of employment or upon retirement, annual leave
42 can be paid out either as a lump sum or as biweekly payments at
43 the employee's discretion and not the Executive Director's.
44 This next sentence is new. Upon separation of employment due to
45 cause, annual leave will be paid as a lump-sum payment only.
46
47 In other words, letting somebody run out their annual leave
48 biweekly is kind of a perk, and, if somebody has to leave with

1 cause, they should not have that perk, and so they get a lump-
2 sum payment only, and so I would like a motion to accept that
3 wording as is.

4
5 **CHAIRMAN LUCAS:** All right. Dr. Crabtree.

6
7 **DR. CRABTREE:** Doug, if you do the biweekly payment, does that
8 mean that technically the employee is not separated? Does that
9 mean they continue to get sick leave benefits paid for by the
10 council and those kinds of things? Does their health insurance
11 continue to be covered by the council?

12
13 **EXECUTIVE DIRECTOR GREGORY:** Right, and they're still going to
14 be on the payroll. They will still have their insurance
15 policies in place. The next paragraph, the third motion,
16 addresses sick leave and annual leave during the payout, but,
17 yes, as long as you're on the payroll, you will get your health
18 insurance and your life insurance taken care of.

19
20 **CHAIRMAN LUCAS:** Ms. Guyas and then Mr. Robinson.

21
22 **MS. MARTHA GUYAS:** Kind of along those same lines, if you have
23 somebody who is still on the payroll, but they're not working,
24 are you -- Is that holding you up from hiring their replacement?

25
26 **EXECUTIVE DIRECTOR GREGORY:** Not if we have the sufficient funds
27 to do that, and, again, the annual leave payout is already
28 banked. That's not an extra cost to us. The only extra cost to
29 us would be about \$30,000 a year for the insurance premiums for
30 the family.

31
32 **MS. GUYAS:** Right, but at least, in my case, if I am paying
33 somebody out and they're gone, they're finished, but they're
34 just running out leave, I can't put anybody in their position
35 until they are off the payroll, because, technically, that
36 position is still filled, and so I just wanted to make sure that
37 wasn't the case, where we had holes in the council for six
38 months.

39
40 **EXECUTIVE DIRECTOR GREGORY:** No, we don't have that same
41 constraint.

42
43 **CHAIRMAN LUCAS:** Mr. Robinson's question has been answered. Mr.
44 Matens.

45
46 **MR. MATENS:** Doug, do you have any idea how long of a period
47 these biweekly payments may go if Employee A separates?
48

1 **EXECUTIVE DIRECTOR GREGORY:** Well, 480 hours is three months.
2
3 **MR. MATENS:** 480 hours is three months, and so you would eat 480
4 hours up in three months of payments every two weeks, and is
5 that a correct statement?
6
7 **EXECUTIVE DIRECTOR GREGORY:** Right, and it doesn't matter, as
8 far as retirement contributions go, whether the person is paid
9 in a lump sum or a biweekly amount. If the contribute their 8
10 percent, they get their match and their 6 percent, whether it's
11 lump sum or paid out biweekly. The advantage of going biweekly
12 for the employee is, one, the tax impact, which is a big one,
13 and, two, they do get to maintain insurance for that length of
14 time. Like I said, if it extended over a year, it would cost us
15 \$30,000 to \$40,000 a year, which I think is sustainable, as far
16 as insurance premiums go.
17
18 **MR. MATENS:** If I understand correctly, if an employee is being
19 paid biweekly this amount of money, and all of that three-month
20 period, if it's three months, occur in the same tax year, the
21 tax is not changed, other than the fact that you have to
22 withhold at a higher level, and is that correct? At the end of
23 the trail, it's even.
24
25 **EXECUTIVE DIRECTOR GREGORY:** Right, but then we've got some
26 employees that have accumulated some hours that are more than
27 480, and, depending on how it's handled -- If you run it out
28 biweekly and it goes over a two-year period, your tax rate is
29 going to be a lot less than if you have to get it all in one
30 year.
31
32 **MR. MATENS:** That begs my first question. How long is this
33 going to last for someone? This is picking a nit, and forgive
34 me, but does biweekly mean twice a week or every two weeks?
35
36 **EXECUTIVE DIRECTOR GREGORY:** Every two weeks.
37
38 **MR. MATENS:** Okay, and that's correct English? I'm an engineer,
39 and so someone correct me.
40
41 **CHAIRMAN LUCAS:** All right. Thank you. Do we have a motion of
42 how to tackle this? Ms. Bosarge.
43
44 **MS. BOSARGE:** If nobody has a motion, we probably need to bring
45 this back up in Full Council, after we've had a chance to maybe
46 chew on it a little bit. If we have some more requests for
47 information from Doug that we want to look at specific numbers,
48 just think about that between now and Full Council, and would

1 that be okay with you, Madam Chair?

2
3 **CHAIRMAN LUCAS:** That is fine with me. I do note that Mr.
4 Gregory had one other item on the agenda, and do we want to go
5 ahead and carry that one over to Full Council as well? It was
6 Item V.

7
8 **MS. BOSARGE:** Yes, I think we had better, or we may never make
9 it through this day.

10
11 **CHAIRMAN LUCAS:** All right. Thank you.

12
13 (Whereupon, the meeting recessed on October 17, 2016.)

14
15 - - -

16
17 October 19, 2016

18
19 WEDNESDAY MORNING SESSION

20
21 - - -

22
23 The Administrative/Budget Committee of the Gulf of Mexico
24 Fishery Management Council reconvened at the IP Casino and
25 Hotel, Biloxi, Mississippi, Wednesday morning, October 19, 2016,
26 and was called to order by Chairman Kelly Lucas.

27
28 **CHAIRMAN LUCAS:** All right. We are going to pull back up the
29 agenda. Just to briefly recap where we left off, we had only
30 made a motion discussing how to handle accrued leave and
31 grandfathered leave, and so that was where we left off, and we
32 were discussing the separation of employment and how we would
33 handle paying out retirement payments or payments left over when
34 somebody left due to cause, and so I will turn it back over to
35 Doug Gregory, just to recap a little bit on that.

36
37 **EXECUTIVE DIRECTOR GREGORY:** Okay. We will finish the
38 discussion that we were starting in committee and then go back
39 and kind of revisit the committee report itself. In the
40 briefing book, and at the last meeting, I had a statement in
41 here that, upon separation of employment, it would be up to the
42 discretion of the Executive Director whether annual leave,
43 accrued annual leave, would be paid biweekly or in a lump sum.

44
45 Upon further discussion with the staff since I sent that out in
46 the briefing book, what I'm suggesting here in red -- I guess
47 it's not in red in your committee reports, but, with this
48 Paragraph Number 1, the first sentence is already in the

1 handbook.

2
3 It says: Upon separation of employment, an employee will be
4 compensated for unused annual leave at the hourly rate in effect
5 at the time of termination. That's already in the handbook.
6 What I am suggesting to add is that, upon separation of
7 employment or upon retirement, annual leave can be paid out
8 either as a lump sum or as biweekly payments, at the employee's
9 discretion and not the Executive Director's discretion. This
10 puts in writing what our current policy, unwritten policy, has
11 been in the office from the very beginning.

12
13 Then I am adding, upon separation of employment due to cause,
14 annual leave will be paid as a lump-sum payment only, and so I
15 would like to get a motion approving that or any comments on
16 that, but I think it's reasonable with what we've got and with
17 the 480-hour cap, to continue to leave that up to the discretion
18 of the employee on how they want to handle that. It's no great
19 burden on the council. It's sustainable, but, upon separation,
20 I think the lump sum payment should be made, so that it's just a
21 clear termination.

22
23 **CHAIRMAN LUCAS:** Mr. Gregory, I actually have some questions
24 about this. In terms of it being the employee's discretion and
25 not the discretion of the Executive Director, would there come a
26 time when it is not -- I mean, it wouldn't be possible for you
27 to pay out these biweekly payments and it could create a burden?

28
29 **EXECUTIVE DIRECTOR GREGORY:** No, I don't envision a budget
30 problem at all with that, particularly with the 480-hour cap
31 going forward.

32
33 **CHAIRMAN LUCAS:** When we were talking about the 480 cap, and
34 then there's also the potential that there is the -- You pay out
35 the sick leave, up to 1,200 hours, and then any comp time you
36 pay out as well, and you could essentially be keeping these
37 employees -- With the 480 hours and the 1,200, that's already
38 forty-two weeks, I think, of time, versus any comp time. I
39 mean, you could be having these employees basically stay on your
40 books for an entire year?

41
42 **EXECUTIVE DIRECTOR GREGORY:** With the 480 hours, that's three
43 months. The comp time is limited to 120 hours at any one time,
44 and so that's a month maybe, less than a month. The sick leave
45 is paid out by half upon retirement. If someone just leaves the
46 employment of the council, their forfeit all their sick leave.

47
48 The situation we have with a few people having more than 480

1 hours of leave on the books we have taken care of by maintaining
2 a bank account that we keep funded just in that case, and we've
3 been funding this close to 100 percent, which is extremely
4 conservative, because it's not likely the office will just be
5 eliminated one day and we would all have to leave, and so we've
6 got that well funded, and so that's not a concern. We brought
7 that up to 100 percent funding with our last five-year grant, at
8 the end of the grant period, where we had some excess money.

9
10 **CHAIRMAN LUCAS:** Robin.

11
12 **MR. ROBIN RIECHERS:** Doug, because I thought you had said the
13 other day that it was funded at 75, and you may have been
14 contributing 100 now, but the account was funded at 75 percent,
15 if I am recalling that.

16
17 **EXECUTIVE DIRECTOR GREGORY:** It's interesting that you say that.
18 I don't remember saying that, but I've been thinking of going
19 back and discussing with our Administrative Officer and with
20 Carrie trying to go back, going forward, to a 75 percent
21 funding, because 100 percent is probably too conservative.

22
23 **MR. RIECHERS:** Part of this, and I think what Kelly is talking
24 about a little bit, is -- While I appreciate the fact that
25 you've thought through it and think that, with the 480 and other
26 things that you've done that you probably have a reasonable
27 balance set away to handle those things, and I think it's
28 getting a little bit at what Camp had said in committee, which
29 was, to help us understand that, if you run through a couple of
30 scenarios, it's just helpful in understanding how that might
31 look.

32
33 I think Kelly is getting at that, while I think you handled the
34 lump sum payments, there are other costs still to you as an
35 organization, or to us as an organization, as you keep those
36 people on the payroll, and I may not have done the math right,
37 because I think you -- What did you say about sick leave? Did
38 you say how many hours?

39
40 **EXECUTIVE DIRECTOR GREGORY:** Upon retirement, which is age
41 fifty-five and ten years of service, you get one-half of your
42 sick leave, up to a maximum of 1,200 hours.

43
44 **MR. RIECHERS:** Okay, and so 1,200, 480, and then the small
45 amount of 120, that's forty-five weeks, I believe, is what I'm
46 coming up to, if I am doing the math right. That's a
47 considerable cost still moving forward, and not that we don't
48 think you have thought about how to handle that, but, from an

1 insurance standpoint and other perspectives.

2
3 I am kind of like Camp. If you can help us maybe -- I am
4 opposed to the language we have here today, but could we also
5 just maybe have that, as we look at those other items and
6 understand the full cost of that to the organization? You can
7 do it on a one-person basis, realizing that, if you did have
8 multiples leave during that same year, you're going to be hit
9 twice with that or three times or whatever it could be.

10
11 **EXECUTIVE DIRECTOR GREGORY:** No one has -- I think the most sick
12 leave anybody has is probably about 700 hours, and so half of
13 that is three-hundred-and-some, and so we're not even close to
14 that, but, again, whatever leave we have accumulated is already
15 -- The funds have already been put in a bank to cover that, and
16 so it's not like it's going to be an instant impact on our
17 operational budget. It's already covered, and we keep it at,
18 going forward, at least 75 percent covered for the entire staff.
19 Right now, it's about 90 percent or 95 percent covered.

20
21 **CHAIRMAN LUCAS:** Mr. Matens.

22
23 **MR. MATENS:** Thank you, Madam Chair. I have some concerns. I
24 have some concern about if we're paying people biweekly for some
25 period of time, and 1,000 hours is half a year, then still
26 remaining as employees. I would be curious if there was any
27 mechanism where that could happen, if they could get their
28 payments that way, but they would not be receiving employee
29 benefits.

30
31 The second point that I would like to make, and I know it's
32 picking a nit, but you have to forgive me, but the definition of
33 biweekly is either every two weeks or twice a week in the
34 official definition, the one that I just looked up, and not that
35 I am an English major, and so I think it would be -- If we just
36 clarified that and said the payment would be every two weeks, I
37 would be comfortable. Thank you.

38
39 **EXECUTIVE DIRECTOR GREGORY:** Yes, it's every two weeks.

40
41 **MR. MATENS:** The point that I'm making is if we could clarify
42 that in the document.

43
44 **CHAIRMAN LUCAS:** All right. Mr. Blankenship.

45
46 **MR. BLANKENSHIP:** I am just a little bit torn on this, because I
47 don't want to do anything that's detrimental to the people that
48 are currently working there that say are within ten or fifteen

1 years of retirement that have planned on this, but I don't think
2 it's a sustainable process to leave for perpetuity.

3
4 Whether we do something with new employees that are hired after
5 January 1, if we make a recommendation to do something with them
6 and people that have been employed there ten years or fifteen
7 years, and I'm not sure if there is a vesting time period with
8 council, but I do think -- I don't think we need to leave this
9 as the biweekly payments as the policy from now on. I think we
10 need to make some change.

11
12 **CHAIRMAN LUCAS:** Mr. Matens.

13
14 **MR. MATENS:** To Chris's point, as he thinks and I think, I don't
15 want to see anybody damaged with what they have up to now, and
16 so I am more than comfortable with leaving us with what we have
17 up to now. However, I think, in the future, not just for new
18 employees, but I think the policy going forward should be
19 different, and we should discuss how different that should be.

20
21 **CHAIRMAN LUCAS:** Mr. Swindell.

22
23 **MR. SWINDELL:** If an employee takes the two-week payments, I
24 assume that health insurance continues during the time that they
25 are then still council employees, and what about -- Is there any
26 kind of -- I don't know about a retirement system or Social
27 Security, and I don't know what the council is responsible for.

28
29 **EXECUTIVE DIRECTOR GREGORY:** Excuse me, staff, but is that the -
30 - We need the committee report on the screen. Okay, and so your
31 question was our estimate is, if someone were to stay on the
32 payroll for a year, as far as insurance costs go, it would be
33 about \$30,000 to \$35,000 a year to the council.

34
35 **MR. SWINDELL:** All right, and does the employee pay part of the
36 insurance costs?

37
38 **EXECUTIVE DIRECTOR GREGORY:** No, not at this time.

39
40 **MR. SWINDELL:** The council is paying all of the insurance costs?

41
42 **EXECUTIVE DIRECTOR GREGORY:** Right. Before I started working
43 here, the council changed their insurance company at a
44 substantial savings and went to a high-deductible plan. With
45 that high-deductible plan, the total insurance cost was covered
46 by the council, at a substantial savings of at least I think
47 \$100,000 a year.

1 **MR. SWINDELL:** Okay. That's fine, but I assume, if they take
2 the lump-sum payment, when does the insurance end?
3

4 **EXECUTIVE DIRECTOR GREGORY:** At the end of the month in which
5 that payment is made.
6

7 **MR. SWINDELL:** Is there any COBRA coverage that the council is
8 under?
9

10 **EXECUTIVE DIRECTOR GREGORY:** Right. We're right about the
11 twenty-employee line. If you're over twenty employees, official
12 COBRA kicks in. If you're under twenty employees, Florida has a
13 similar program to COBRA. I think they let you buy the same
14 insurance for eighteen months. We do not have a policy where
15 the employee can keep the council insurance but pay 100 percent
16 of the premium. That would be nice, because, by being in a
17 group plan, you do have savings to the employee, but, right now,
18 we don't have that feature, and so the employee, at best, has
19 eighteen months that they can continue the current insurance
20 before they have to get their own insurance.
21

22 **MR. SWINDELL:** So we would still be paying even if they take the
23 lump sum?
24

25 **EXECUTIVE DIRECTOR GREGORY:** No, the COBRA or the Florida
26 version, the employee pays the entire premium.
27

28 **MR. SWINDELL:** For how long?
29

30 **EXECUTIVE DIRECTOR GREGORY:** For eighteen months, and then they
31 have to get their own insurance, because the COBRA feature
32 disappears.
33

34 **MR. SWINDELL:** What is the retirement system? Do you have
35 Social Security or do you have a retirement system or what kind
36 of retirement system do you have within the council staff?
37

38 **EXECUTIVE DIRECTOR GREGORY:** We have a 401K, and that's been in
39 existence since the early 1980s.
40

41 **MR. SWINDELL:** All right. Do you pay Social Security?
42

43 **EXECUTIVE DIRECTOR GREGORY:** We pay what employers typically
44 pay.
45

46 **MR. SWINDELL:** I know, but, I mean, the employee pays Social
47 Security?
48

1 **EXECUTIVE DIRECTOR GREGORY:** Right, and income tax and Medicare
2 tax. That all comes out of the employee's salary.

3
4 **MR. SWINDELL:** Some government agencies don't pay Social
5 Security, and so that was the reason I was asking you. Thank
6 you.

7
8 **CHAIRMAN LUCAS:** All right. We are still looking for a motion
9 on how to tackle these suggested edits, and I don't know if
10 anybody has the idea of a motion similar to this one or if
11 somebody would like to incorporate the suggested changes. Mr.
12 Matens.

13
14 **MR. MATENS:** Thank you. Let's get that back up on the board
15 again. I am not going to make any motion, but I am going to
16 suggest a change, a friendly change, to this one. I suggest a
17 change, if Mr. Gregory will agree, and it's just housekeeping.
18 In the red language, upon separation of employment, we change
19 the word "biweekly" to "every two weeks".

20
21 **EXECUTIVE DIRECTOR GREGORY:** That's no problem at all.

22
23 **MR. MATENS:** I guess we could clean up the language as a payment
24 every two weeks, as opposed to every two weeks payments.

25
26 **EXECUTIVE DIRECTOR GREGORY:** I separated this from the next item
27 because I know the council oftentimes likes to take items one at
28 a time instead of lumping them, but the second item does relate
29 to this, and this second item is, when annual leave is paid out
30 every two weeks, due to separation from employment, accrual of
31 further annual leave and sick leave will not be allowed during
32 the payout period.

33
34 This is one thing I am suggesting that we discontinue, a
35 practice that had been done in the past. My logic is that, if
36 someone has separated from service and they are no longer
37 technically working for us in a productive manner, even though
38 they're still on the payroll, it doesn't make sense for them to
39 accumulate more sick leave and, in a similar manner, annual
40 leave, but definitely sick leave, because it just doesn't make
41 sense.

42
43 It's a minor change, because we accumulate sick leave at four
44 hours a pay period and annual leave at six hours a pay period,
45 but it is going to cost staff who get paid biweekly some money
46 that, in the past, they would have gotten. Here, you see an
47 attempt from me to moderate what the potential impact of paying
48 something out every two weeks could be on our budget, and so you

1 can take this together or as separate motions.
2
3 **CHAIRMAN LUCAS:** Right. Mr. Blankenship had something.
4
5 **MR. BLANKENSHIP:** Back to Number 1, and I guess that I would
6 make a motion that we add a sentence that says "Any employee
7 hired after December 31 of 2016, upon separation, will only be
8 paid their annual leave in a lump sum."
9
10 **EXECUTIVE DIRECTOR GREGORY:** What was the date, January 1 of
11 2017?
12
13 **MR. BLANKENSHIP:** No, December 31 of 2016. Any person hired
14 after this year. Any person hired after December 31, 2016, upon
15 separation of employment, will be paid their annual leave in a
16 lump sum.
17
18 **EXECUTIVE DIRECTOR GREGORY:** That seems to be a reasonable thing
19 to do, in that anyone hired after December 31 is going to be
20 limited to 480 hours, and a lump-sum payment is not going to be
21 a tremendous tax burden, and I know the IRS lets you spread out
22 a lump sum over a certain number of weeks to try to reduce that
23 tax burden, and so I think that's very doable.
24
25 **CHAIRMAN LUCAS:** Mr. Boyd.
26
27 **MR. BOYD:** Did we also want to include the payout of sick leave,
28 the 50 percent of the sick leave, in that same motion?
29
30 **MR. BLANKENSHIP:** No, I intend it to be their leave. Whatever
31 leave they're paid, it would be paid in a lump sum for anybody
32 that starts after --
33
34 **MR. BOYD:** Okay. So it would be annual leave and sick leave?
35
36 **MR. BLANKENSHIP:** Yes. Thank you.
37
38 **CHAIRMAN LUCAS:** All right. Mara.
39
40 **MS. LEVY:** I just want to try and be clear. Is the intent to
41 add this sentence to what was above and make one motion to adopt
42 of all of that, because you didn't make a motion to adopt the
43 red text above about having the discretion up until that point.
44 I also want to make clear that, even though we're in a document
45 called "Full Council Motions", that this is still a committee
46 motion, because you're in committee.
47
48 **MS. BOSARGE:** Yes, you're correct, Mara. We went back into our

1 Administrative/Budget Committee. Although some of the things
2 they're putting on the board, the verbiage, may have been pulled
3 out of the original report that was written up, we did state
4 that a new committee report will be sent out to the group, and
5 we will go over that at Full Council.

6
7 **EXECUTIVE DIRECTOR GREGORY:** I apologize. I missed that.

8
9 **CHAIRMAN LUCAS:** All right. We have some text up here and part
10 of a motion. Do we want to try to combine this motion or do we
11 want to tackle all three separately? What is the will of the
12 committee?

13
14 **MR. BLANKENSHIP:** I guess my thought process was that we can
15 either add this to Number 1 and then approve all of it together
16 or to make a motion that we approve this and then add it to
17 Number 1 and then approve both of them together. I will defer
18 to you, Madam Chairman, and whatever you prefer.

19
20 **CHAIRMAN LUCAS:** Let's see if we can add all the text, the
21 verbiage, all together, including what Mr. Gregory was
22 discussing that he had separated out. Then we'll see if we can
23 get a --

24
25 **EXECUTIVE DIRECTOR GREGORY:** That would be all the text in the
26 red as well as what Mr. Blankenship just suggested and what Mr.
27 Matens suggested. Wherever it occurs, we will change "biweekly"
28 to "every two weeks" in the handbook.

29
30 **CHAIRMAN LUCAS:** Just take the word "motion" out. All right.
31 Now, that should be the complete motion, if Mr. Blankenship
32 agrees.

33
34 **MR. BLANKENSHIP:** So what is done with the sick leave now? That
35 is paid in a lump sum or paid out over time as well?

36
37 **EXECUTIVE DIRECTOR GREGORY:** Correct, and it's only paid out
38 upon retirement, and only half of it is paid out upon
39 retirement.

40
41 **MR. BLANKENSHIP:** That's just not -- The sick leave is just not
42 included in the other portion of Number 1, and is that covered
43 somewhere else?

44
45 **CHAIRMAN LUCAS:** In the handbook. Is it not covered under sick
46 leave in your administrative handbook? Ms. Levy.

47
48 **MS. LEVY:** Maybe you just want to say "leave", and so you could

1 say be compensated for unused leave at the -- Then you're
2 covering both sick and annual leave.

3
4 **EXECUTIVE DIRECTOR GREGORY:** The handbook currently reads,
5 referring to sick leave, payment to be made as a cash payout,
6 subject to withholding taxes and included as a regular payroll
7 check, to the extent funds are accumulated.

8
9 Then it goes on to explain how the council maintains a leave
10 fund to handle expected staff turnover, to minimize impacts on
11 the operating funds. The council can make partial payments if
12 there is not any funds available, but that's not going to be the
13 case, and so it says a cash payout subject to withholding taxes
14 and included as a regular payroll check.

15
16 **MR. BLANKENSHIP:** So is sick leave only paid as a lump sum, or
17 is it paid every two weeks, if they desire?

18
19 **EXECUTIVE DIRECTOR GREGORY:** Historically, we've been paying it
20 out two weeks, every two weeks, like we were annual leave.

21
22 **CHAIRMAN LUCAS:** If we change the unused -- Instead of "annual
23 leave or sick leave", if we just say "unused leave", would --

24
25 **EXECUTIVE DIRECTOR GREGORY:** Yes, it would.

26
27 **CHAIRMAN LUCAS:** Mr. Boyd.

28
29 **MR. BOYD:** Mr. Gregory, does that section speak to the one-half
30 of the total? I didn't hear that.

31
32 **EXECUTIVE DIRECTOR GREGORY:** Yes, because we revised the wording
33 in this two years ago and with an example. It says, upon an
34 employee's retirement from the council service, as defined in
35 accordance with the provisions of the retirement plan, or upon
36 the death of an employee, 50 percent of unused sick leave is
37 payable, up to a total of 1,200 hours. Then it has an example
38 of if you have 3,000 hours of sick leave that half of that is
39 1,500. Then you would lose some. If you've got less, you just
40 get the half.

41
42 **CHAIRMAN LUCAS:** Ms. Bosarge.

43
44 **MS. BOSARGE:** I was just reading it and trying to think about if
45 I was reading this a year from now and not hearing the whole
46 conversation, and do you think maybe we should add the word
47 "applicable" there in that last line? Any person hired after
48 December 31, 2016, upon separation of employment, will be paid

1 their -- Or any applicable unused leave in a lump-sum payment.
2 I don't want it to be misinterpreted that we're actually
3 changing the policy on how much sick leave you get paid,
4 regardless of how you left, and so just put the word
5 "applicable" in there, maybe.

6
7 **CHAIRMAN LUCAS:** Okay. Mr. Blankenship, since you started with
8 part of a motion, would this reflect your motion?

9
10 **MR. BLANKENSHIP:** Yes, ma'am.

11
12 **CHAIRMAN LUCAS:** All right. Do we have a second? We have a
13 second from Mr. Riechers. **All in favor, please raise your**
14 **hands.**

15
16 **EXECUTIVE DIRECTOR GREGORY:** Seven.

17
18 **CHAIRMAN LUCAS:** Okay. The other thing that we didn't cover
19 during our allotted time was a discussion of bonuses, and so I
20 will turn that over for you to discuss the staff bonuses, which
21 is Tab G, Number 5 in your briefing book.

22
23 **REVIEW OF COUNCIL STAFF BONUSES**

24
25 **EXECUTIVE DIRECTOR GREGORY:** At the last council meeting, I was
26 asked to provide a summary of bonuses that have been given. The
27 bonus program was implemented by the council in 2010, and so
28 this is the complete history of bonuses. You've got the total
29 amounts for each year and the average per person, the median
30 bonus, the low, and the high.

31
32 At the last meeting, the council did approve a proposal that I
33 brought to you to discontinue paying a performance bonus and
34 only have a merit bonus, and so these years include both bonuses
35 combined. One thing that I did, after 2013, which was my first
36 year here, in 2014 and 2015, actually without consulting the
37 council, I made a decision to not pay a performance bonus to any
38 employee who also got a step increase that year, because I
39 personally felt like that was paying for the same thing twice.

40
41 Then, the more I tried to deal with the differences between the
42 two bonuses, the more I felt we should just have a single bonus
43 for meritorious work and be done with the performance, because
44 we do have a GS system for handling regular raises, and so we
45 have simplified that and reduced the potential of the total
46 magnitude of bonuses that staff could get.

47
48 **CHAIRMAN LUCAS:** Mr. Riechers.

1
2 **MR. RIECHERS:** I think part of it was the confusion between
3 those two types of bonuses and really not that -- It was
4 difficult to understand the distinction between those two, based
5 on the comments that you made at the last meeting, and that's
6 why we asked for this, as well as to look at what had been
7 given. How many total employees do we now have, Doug? You said
8 almost twenty a while ago.
9
10 **EXECUTIVE DIRECTOR GREGORY:** I think we have nineteen now.
11
12 **CHAIRMAN LUCAS:** All right, and so this was just the review, the
13 table that you were bringing back, because we had asked for it,
14 but do you need anything?
15
16 **EXECUTIVE DIRECTOR GREGORY:** Right, and there is no action
17 needed.
18
19 **CHAIRMAN LUCAS:** Any questions? Mr. Matens.
20
21 **MR. MATENS:** You guys have to forgive me, but, in 2015,
22 seventeen people got a bonus. How many didn't?
23
24 **EXECUTIVE DIRECTOR GREGORY:** My understanding of all of this and
25 the data we compiled, everybody gets some type of bonus in each
26 of these years.
27
28 **MR. MATENS:** So the answer is zero? No one didn't get a bonus?
29
30 **EXECUTIVE DIRECTOR GREGORY:** Correct.
31
32 **CHAIRMAN LUCAS:** Any other questions? All right. Before we
33 move off of the committee report, and that was one of the last
34 things, we did have -- We had a request maybe to revisit our
35 original motion regarding the annual leave and how we would
36 handle that grandfathered leave. Mr. Boyd.
37
38 **MR. BOYD:** Thank you. Just as a little background, Mr. Gregory
39 and I talked extensively yesterday, and we had an agreement,
40 when I was Chairman and when he came in, that in personnel
41 dealings that one of the things that was a tenet of that was to
42 do no harm with the employee and staff, all of the staff, and so
43 we discussed my motion that was approved, and specifically the
44 last portion of it, where annual leave will be used first, will
45 first come out of the grandfathered balance.
46
47 Mr. Gregory feels that that is going to do some harm with staff,
48 and so we've talked about it, and I think we have accomplished

1 what we wanted to do by grandfathering what is there and moving
2 to a new program.

3
4 What I think that we need to do is recognize that we do have a
5 current situation where the employees feel that there is some
6 entitlement to that money. Some of them have a considerable
7 amount. I asked Mr. Gregory to give me what the top ten people
8 have, and the top ten range from seventy-five weeks of
9 accumulated leave, if you break it down into weeks, and the
10 tenth person has four weeks.

11
12 You can see that we've got quite a bit of investment in these
13 people, and they have quite a bit of investment in this current
14 situation. I will ask Mr. Gregory to talk about that a little
15 bit, about what your feelings are about why we would do some
16 harm if we asked them to take it first out of the grandfathered
17 balance, and then I would like to have a little bit of
18 discussion about an idea that I have.

19
20 **EXECUTIVE DIRECTOR GREGORY:** Thank you, Mr. Boyd. In this
21 committee report, I did a scenario of a five-year run-out, if an
22 employee took two weeks of annual leave a year, and some take
23 more than that, but it was mentioned in committee that two weeks
24 is something that would be assumed.

25
26 Most of us get six hours a pay period of annual leave to accrue,
27 and so that's 156 hours a year. Since we've got six employees
28 that have over 400 hours of accrued leave already, I used 400
29 hours as the scenario, and you can see, with it coming out of
30 annual grandfathered leave only in the beginning, the employee,
31 relative to the proposal that I presented, would lose about
32 seven-and-a-half weeks of pay if they were to terminate at the
33 end of that five years.

34
35 What you don't see here is I did this same thing running out
36 with ten years, to see what the staff proposal -- Where would
37 that stabilize? What happens after about seven years with the
38 scenario of taking two weeks a year and it coming out of the
39 accrued leave instead of the grandfathered leave is it usually -
40 - It will end up with the maximum that a staff person could have
41 would be whatever we grandfathered in plus 480.

42
43 Anything over that goes into sick leave, and so that would be
44 like, from a financial standpoint, the worst-case scenario for
45 the council, the best-case for the employee, and I think most
46 employees probably do take more than two weeks at a time.

47
48 The employees we have that have a lot of leave have worked for

1 the council for a long time, and so that's where that came from.
2 It's not that some people are just not taking leave, but they've
3 been here a long time and they have worked for the council for
4 many, many years, and so I think forcing us to take it out of
5 grandfathered leave doesn't accomplish anything, because,
6 financially, we can handle what we have now. We have money in
7 the bank for that.

8
9 The 480-hour cap fixes any potential obligations going forward,
10 and it really solves that potential financial liability going
11 forward, and the only thing I can liken it to is like some
12 states do and corporations, but funding a pension plan. We are
13 funding the pension plan 100 percent upfront, which most
14 organizations don't do. That's why I feel comfortable
15 financially with what we've got now, and so I would really
16 appreciate the reconsideration of not requiring leave to be
17 taken out of the grandfathered leave first.

18
19 **MR. BOYD:** With that, I have an idea. We have solved one
20 problem, one issue, that we think we had administratively, and
21 that is to limit the amount of leave that can be accumulated.
22 We have another issue, and I think we do need to recognize that,
23 and that is that this money, this time, this investment, that
24 the employees have has been evidently a part of their planning
25 process for retirement, and we have these ten people who have a
26 large investment in that.

27
28 One of the things we could do would be to recognize that that is
29 an issue we need to deal with now, and we have that money
30 accrued already. One suggestion I would have would be that we
31 go ahead and we purchase an annuity with the money that we have
32 for each employee and do away with the grandfathered leave all
33 together, and everybody then, from this point forward, is on the
34 same playing field.

35
36 That would be a way to eliminate the grandfathered, and it would
37 be a way to not have to pay that out over a period of time in
38 the future. It would cut costs for the organization, because we
39 wouldn't have additional expenses associated with that in a
40 long-term payout, and it would be, I think, a very fair way to
41 accomplish this grandfathered leave for the future, and so
42 that's one alternative.

43
44 I don't think that there is a tax consequence if the
45 organization bought an annuity for someone. There is a tax
46 consequence if we just gave it to them as a lump sum. There is
47 some consequence if we try to put it into their 401K, because
48 there is a maximum, and I can't remember what the max is. I

1 think it's about \$50,000 a year.

2
3 **EXECUTIVE DIRECTOR GREGORY:** It's about \$50,000, but that's
4 something I was going to look into, and we will have to research
5 the annuity too and come back to the council with costs and
6 options, but we could -- As far as the 401K goes, we could
7 probably put in \$25,000 to \$30,000 a year and do it over a
8 period of years also. That is something I will look into.

9
10 **MR. BOYD:** That is a suggestion to try to reach what I would
11 call a compromise between Mr. Gregory and myself about what is
12 fair and try to do no harm to the staff, and so I would give
13 that suggestion to the committee for consideration.

14
15 **CHAIRMAN LUCAS:** Ms. Levy.

16
17 **MS. LEVY:** Thank you. One thing is, if you're going to
18 reconsider the motion that you already made and passed in
19 committee, you're going to have to do a motion to reconsider and
20 vote that up and then reconsider it, or you can just leave it
21 until Full Council and present it to Full Council and you can
22 vote it up or down, but I think you sort of have to either do
23 that or reconsider it and then reconsider this whole discussion.

24
25 The other thing is, in looking into this annuity idea, I think
26 we would also need to look into the legal requirements of having
27 accrued leave and what you can do with leave that an employee
28 has accrued, and I don't know the answer to that, but I feel
29 like we would need to talk to the Department of Commerce General
30 Counsel about what the options are for changing that dynamic
31 that had been set up and put into place through prior employment
32 practices.

33
34 **CHAIRMAN LUCAS:** Ms. Bosarge.

35
36 **MS. BOSARGE:** Mara, a logistical question. I don't have that
37 motion on the board in front of us, but I think the conversation
38 between Doug and Doug was essentially that the part of the
39 motion that they were reconsidering was that last line, where it
40 says the annual leave used will first come out of the
41 grandfathered balance. When we reconsider, how exactly,
42 logistically, would we go about that?

43
44 **MS. LEVY:** If the committee wants to reconsider this motion,
45 which was to do this action, then someone on the prevailing side
46 needs to make a motion to reconsider this issue that's already
47 been decided. You need to vote as a committee reconsider it,
48 and then you can craft a new motion that does what you want to

1 do.

2
3 The other alternative I see is to not talk about this in
4 committee further or try and make new motions about it, but wait
5 until Full Council and vote this motion up or down, presumably
6 down in Full Council, if you don't want to do it, or make
7 substitute motions or whatever you want to do in Full Council.

8
9 **CHAIRMAN LUCAS:** Mr. Boyd.

10
11 **MR. BOYD:** With that counsel, I was on the prevailing side. **I**
12 **would move to reconsider the motion that is on the board at this**
13 **time.**

14
15 **MR. BLANKENSHIP:** Second.

16
17 **CHAIRMAN LUCAS:** We have a motion, and we have a second to the
18 motion. **Is there any opposition to the motion? Seeing none,**
19 **the motion carries.** Do we want to craft a new motion or go with
20 just some discussion? Mr. Riechers.

21
22 **MR. RIECHERS:** I think if you're going to try to -- As we've
23 reconsidered this now, if we end the motion at "converted to
24 sick leave" and then that leaves the question that the two
25 Doug's were discussion for a later date, after we've found out
26 some information about annuities and any other options that
27 there might be and how to handle that. **I would move the same**
28 **sentence of beginning December 31, 2017, accrued annual leave in**
29 **excess of 480 hours at the end of each calendar year will be**
30 **converted to sick leave.**

31
32 **CHAIRMAN LUCAS:** We have a motion. Do we have a second?

33
34 **MR. BLANKENSHIP:** Second.

35
36 **CHAIRMAN LUCAS:** All right. Is there any opposition to the
37 motion?

38
39 **MS. LEVY:** No opposition, but does this then -- We are not going
40 to have another meeting before the end of this year. Before,
41 you were talking about, when you set this up, that you would
42 have two different buckets and what would happen with the
43 different buckets, and so is this going to be enough to tell you
44 what to do for next year, in terms of what leave people are
45 supposed to be taking and what kind of buckets you're supposed
46 to have?

47
48 If it is, that's fine, but I just want to make sure that -- At

1 the end of next year, what we're saying is that anything over
2 480 hours, which you wouldn't accrue in one year anyway, would
3 go into sick leave, but the whole idea was, at the beginning of
4 the year, you're setting up the two buckets. You have the
5 grandfathered bucket and you have the new bucket, and I just
6 don't know if this is going to address what happens.

7

8 **CHAIRMAN LUCAS:** Mr. Riechers.

9

10 **MR. RIECHERS:** Mara, it will not, because, basically, I don't
11 think anyone -- Doug, you may be ready, or one of the Doug's may
12 be ready, but I think there would need to be some research into
13 the annuity notion and how that would play out, maturity dates
14 and other things. I think that would have to be figured out.

15

16 I think, at the start of the year, it's going to behave just
17 like it's been behaving, based on this. Is that correct?
18 Whenever we readdress that, we would have to put a time in the
19 future that it would start, whatever that is, or whenever we
20 would do that.

21

22 **EXECUTIVE DIRECTOR GREGORY:** Right. My bucket system would be
23 pretty much automatic anyway. If I was to take three weeks of
24 annual leave in January, some of that is going to have to come
25 out of the grandfathered leave, because I haven't accrued enough
26 during 2017 yet to cover it. It will just be an automatic thing
27 going forward, and so, yes, we can address the bigger picture at
28 a future meeting.

29

30 **CHAIRMAN LUCAS:** All right. Is there any additional discussion
31 or clarification needed? Mr. Blankenship.

32

33 **MR. BLANKENSHIP:** Just to make sure that I understand what's
34 going to take place, at the end of this year, December 31 of
35 2016, you will have a snapshot of what leave everyone has. Then
36 we'll come back in January or some other point after that and
37 you will have some recommendation or some information about the
38 leave balances that they had at the end of December and if they
39 wanted to convert that to their 401K what the options would be,
40 for somebody that maybe only had two or three or four or five
41 weeks, that would fit under that cap, or what the cost of an
42 annuity would be to the council.

43

44 Then you will have some determination on what the property
45 rights are for that leave that they've accumulated, so that
46 we'll have the information that would be needed to make a
47 decision on the grandfathered leave in January or the April
48 meeting or some future meeting.

1
2 **EXECUTIVE DIRECTOR GREGORY:** Correct, and I will get with Ms.
3 Levy and find out who the right person in the Department of
4 Commerce to talk to would be. Historically, I've been dealing
5 with John Gunther, and I don't know if he's the boss or
6 something, but he is difficult to get in touch with at some
7 times, but if there is somebody who really specializes in this,
8 we will find out, and we will look into that, because we don't
9 want to do anything that would expose us to a potential lawsuit
10 either, and so we do need to be careful.

11
12 **CHAIRMAN LUCAS:** All right. Is there any additional discussion?
13 Mr. Swindell.

14
15 **MR. SWINDELL:** I have just one question. Do you have a limit on
16 the amount of leave that is allowed when they continue as an
17 employee for a year?

18
19 **EXECUTIVE DIRECTOR GREGORY:** I didn't hear the last part.

20
21 **MR. SWINDELL:** For a continuing employee that wants to take some
22 leave, can they take off ten weeks?

23
24 **EXECUTIVE DIRECTOR GREGORY:** We don't have a policy on that.
25 That is really the supervisor's and my discretion,
26 collaboratively, to do that. Taking of leave is a privilege.
27 It's not a right, and it's granted based on that it doesn't
28 disrupt our productivity or the workload to any significant
29 amount, and so that's something we would cover on a case-by-case
30 basis.

31
32 **CHAIRMAN LUCAS:** All right. Anything further? Ms. Levy.

33
34 **MS. LEVY:** Sorry. I think we're clear, but it's just that the
35 motion doesn't speak to it, but this motion is not addressing
36 leave that will have accrued during the 2016 calendar year,
37 because what I don't want to have happen in the future is you
38 look at the motion and you're like, okay, it's December 31 and
39 this person has leave in excess of 480 hours and so it's all
40 going to sick leave, and I know that's not what we're talking
41 about, but it doesn't say that, and so my understanding is this
42 addresses leave that you start accruing in 2017.

43
44 **EXECUTIVE DIRECTOR GREGORY:** Correct.

45
46 **CHAIRMAN LUCAS:** All right. We have a motion on the board, and
47 we have a second by Mr. Blankenship. Is there any opposition to
48 the motion on the board, committee? **Seeing none, the motion**

1 **passes.**

2

3 **EXECUTIVE DIRECTOR GREGORY:** Thank you very much.

4

5 **CHAIRMAN LUCAS:** I believe this actually covers all the topics
6 in the Administrative and Budget Committee, and we are
7 adjourned.

8

9 (Whereupon, the meeting adjourned on October 19, 2016.)

10

11

- - -