

MINUTES
KEY COLONY BEACH
CITY COMMISSION SECOND BUDGET
WORKSHOP
Thursday, July 13th, 2017, 9:30 a.m.
City Hall Auditorium

1. Call to Order and Roll Call: The Second Budget Workshop of the Key Colony Beach City Commission was called to order by Mayor DeNeale at 1:30 p.m.

Present: Mayor John DeNeale, Vice Mayor Ron Sutton, Secretary Treasurer Jim Pettorini via telephone, Commissioner April Tracy and Commissioner Jerry Ellis.

Also Present: City Administrator Chris Moonis, City Clerk Kathryn McCullough, Building Official Ed Borysiewicz, Assistant Building Official Gerard Roussin, and Police Chief Kris DiGiovanni. Public - 0

Mayor John DeNeale reported the topics for today are a) new insurance rates, b) building department staffing for next year, c) salary increases, d) dental insurance, and long term disability benefits, and e) hiring incentives for the Police Department. Renovations of City Hall and City roads will also be discussed.

Administrator Chris Moonis said one of these issues is employee transition for next year. The other outstanding issue is employee benefits.

Cash/Reserve positions: Administrator Moonis pointed out on the City will use \$110,473 of Reserves to balance the budget. Last years budget added \$27,000 to reserves. The use of Reserves is primarily driven by a \$130,000 transfer to the Road Fund for road improvements for possibly 1 or 2 of the City streets next year. City Clerk McCullough reported the final accessed property value, from the Property Appraiser is \$695,129.68 The property value used in last year's budget was \$692,653,308.

General Budget

By January, 2018, Mr. Moonis plans to present a Pay Classification System for Commission approval using a Federal Step System, as suggested by Mayor DeNeale, or a system similar to the City of Marathon..

Vice Mayor Sutton said he has gone through Marathon's plan. The company Marathon hired to put this plan into policy states this system works well with large companies, such as Marathon with an employee base of approximately 99 employees; they also state smaller organizations do not need this. Vice Mayor Sutton asks why we should adopt this program with only 13 full time employees and 1 part time employee. The City Administrator should be able to evaluate 14 people without the assistance of an outside source. Chris Moonis replied a Pay Evaluation program provides employees with a clear understanding of what the expectations are and what goals need to be accomplished to be incentivized for an above cost of living increase in pay.

Vice Mayor Sutton stated this is not needed. He has a company and he runs it himself. He also stated that when he was the Administrator he knew what each employee did and where their merit was. There doesn't have to be any policy in writing. You should just let the employees know verbally that they may be considered for a cost of living increase based on their performance. Vice Mayor Sutton said employees should be given a salary increase only if they do an above average job. It will be up to Chris Moonis to motivate the staff to do this.

Commissioner Ellis does not think there is a problem with the employee's job performances. He said, as long as the City can afford it, there should be a policy, in writing, for the opportunity to receive a pay increase based on job performance and merit. He also stated in the past the City faced financial problems that forced the Commission to go the other way. Sometimes it does not work out the way it was budgeted it. Mayor John DeNeale said the City should come up with a policy that works according to the financial plan.

Commissioner Jim Pettorini said Chris Moonis made a valid point by suggesting the use of a market based pay plan with ranges for each position. It makes the most sense because it is the fairest approach to take for both the employees and the employer.

Mayor DeNeale ran some numbers and if the City instituted the Federal Step Program, which is a performance based increase, it would be approximately a 3% pay increase every other year if the employee earns the increase after being evaluated by the Administrator. Commissioner Tracy asked if that 3% increase is above the cost of living. Mayor DeNeale said yes.

Mayor DeNeale stated the City budget is approximately \$700,000 annually for payroll. If all employees received the 3% increase it would add 1.5% per year or \$10,000.00 to the annual budget. This includes the Police Department. Another scenario is nothing is put in writing and a department head, or the Administrator, verbally states a certain employee deserves a pay increase based on individual performance. Then there would be a pay increase for those individuals. Vice Mayor Sutton said he still believes it should go into policy and raises be given on A+ performance.

Administrator Moonis recapped saying by January 2018 a written policy, to include todays Commissioner comments, will be completed. It won't be a high tech, like the City of Marathon \$50,000.00 policy, but there will be components of that policy. It will be a very simple system. The evaluation process will be included. This will allow the Administrator to speak clearly to the employees about goals and objectives and at the end of the year he will perform a performance review based on those goals and objectives.

Mr. Moonis said between April 1st and Oct 1st, 2017 he would like to hire, or promote, an Assistant Building/Fire Inspector. Mayor DeNeale said Building Official Borysiewicz wants to be sure the Building Department is handed over to Assistant Building Official Gerard Roussin properly. Ed would like Gerard to take over his position as the Building Official as soon as possible and Ed would do the job of the Assistant Building Official until he retires. Administrator Moonis said in addition to that transition, on June 1st 2018 he would like to promote an employee to Public Works Foreman/Team Lead. This person would be taking full charge of the Public Works Department. The Building Official said he wishes to retire by July 2018.

Administrator Moonis said the total end of the year compliment would be 4 employees between the Building Department, Public Works and the sewer plant. The workforce would consist of a Building Official, a Building/Fire Inspector, a Public Works Department Head and a Laborer. In the past it consisted of 3 employees. It is now 5 employees. His plan brings the staffing to 4 employees. He suggested speaking with Gonzales Landscaping about doing more of the grounds maintenance. This would allow the Public Works Employee more time to do other work needed. He said the cost of a new Public Works Laborer, with

benefits, is \$47,000. He questioned hiring a \$47,000 employee if Gonzales Landscaping would add additional landscaping for about \$20,000 per year. This would free up the Laborer up to do more work.

Chris Moonis reported since the City hired the employee to work at the sewer plant the hours billed by US Water has not decreased as expected. In fact some of the bills have been higher since the new sewer plant employee has come on board. Chris asked Dave Evans why there had not been a decrease. Dave said it is a matter of how the work is prioritized. When there is an additional employee at the plant it opens him up to schedule other jobs needed to be done. He said there will always be enough work at the plant for US Water to have 2 people there. Mr. Evans said the new membranes are really decreasing the workload. Commissioner Ellis does not agree with the above statements made by Chris Moonis or David Evans. He said he knows the US Water billing better than anyone at the table. Even after hiring a laborer to work at the sewer plant there was never a decrease in billing from US Water which was hoped for. The laborer was hired for the plant to try to keep from having an increase. The wastewater plant employee has been very valuable. Dave Evans has billed at least \$70 per hour and sometimes \$130 per hour. The City hired a new employee for the plant to keep those billed hours down.

Commissioner Ellis suggested 5 employees for the Building Department, Public Works and the Sewer Plant. Vice Mayor Sutton agrees. He would like to keep it the same as it has always been but to include the new wastewater plant employee. Vice Mayor Sutton said there is personnel on staff that would do very well as the new Assistant Building Official. He also believes that the sewer plant employee should work in the field as well as at the plant. He said right now he would like to see Ed as the Fire Inspector, Gerard as the Building Official, and a third employee working towards his certification, to become the Assistant Building Official once Ed has retired. He would like to hire from within the City. The Building Official said he will have to retire no later than October 2019. Both Commissioner Ellis and Vice Mayor Sutton agreed there is time until Ed retires to transition as to where Gerard will be in place as the Building Official and another employee as the Assistant Building Official. Mayor DeNeale asked if the employee we have in mind to become the Assistant Building Official is the right candidate for the position? Ed Borysiewicz said although he would like to promote from within the candidate for the Assistant Building Official would have

to go in front of the State Review Board to take the test and move forward with the Certification Process. Even though Gerard had 20 years as a General Contractor he had to go in front of the review board twice before getting the approval to proceed with his training and acquiring the certifications needed to become the Assistant Building Official. Ed informed the employee of the qualifications needed. He gave him the application to fill out. Ed and Gerard will try to help him to put the application through the State Review Board.

Commissioner Ellis suggested checking with the Fire Inspector School in Ocala to see if they could find an applicant, who has already taken and passed the test, to fill the Assistant Building position. This applicant will more than likely already have the Building Official experience because they complement each other. When asked how often the class is given Ed Borysiewicz answered one time per year and approximately 30 people take the exam. Vice Mayor Sutton would like to fill the position of the Assistant Building Official from within. Ed Borysiewicz agrees. Vice Mayor Sutton said if the City employee, and his former employer, fill out the paperwork properly he doesn't see why he couldn't get a temporary license. That would be the employee's first step. Ed Borysiewicz disagreed. He said his first step would be to get his combination Building Inspector license. After that he would have to prove his electrical, mechanical and plumbing experience before going in front of the State Review Board. Administrator Moonis said he would always prefer to promote from within whenever possible.

Chris Moonis said by October 2018 there will only be 4 employees in the Public Works and Building Department combined instead of the 5 we currently have.

City Clerk McCullough thanked Commissioner Ellis for referring the AFLC representative to her. AFLC Dental and Short Term Disability Insurance are affordable for the City to provide to the employees. AFLAC has partnered with Delta Insurance to provide the dental insurance coverage. Employees used to have dental insurance but it was removed from the benefit package and was replaced with a \$160.00 reimbursement towards the employee's dental expenses. Ms. McCullough has prepared the budget to include \$160 per employee to fund the dental insurance.

City Clerk McCullough stated the short term disability is very important as it provides a cushion for the employee in the event of an unexpected accident or

illness Every other Governmental Entity in Monroe County offers dental, vision, life insurance and medical insurance. The City of Marathon and FKEC also offer their employees long term and short term disability insurance. Monroe County pays for 60% of medical coverage for an employee's dependents. Ms.

McCullough reported the cost for the dental insurance is \$7,858 and \$6,227 for the short term disability. This represents a 1.9% increase in employee benefits.

City Clerk McCullough strongly supports offering these benefits to our employees. She also strongly supports a 5% salary increase. There has been a good discussion on how to address increases in the future, however, historically the pay increase for all employees has been same percentage across the board. Ms. McCullough agreed with Mr. Moonis on employee evaluations and recognizing the employees that put in the extra effort and go the extra mile. That is not an option right now therefore she is standing firm on 5% salary increase for all employees. This is a 2.8% cost of living increase for Miami Ft. Lauderdale, and .07% for the difference between Miami/Fort Lauderdale, which is an adjusted 3.44% cost of living. This barely maintains the status quo. If you round that percentage up to 3.5% and give the employees a 5% pay increase, it would mean a 1.5% increase to recognize performance. Vice Mayor Sutton said this pay increase will cost the tax payers of Key Colony Beach 1.9%. He said he wants the employees happy and treated fairly but he also has a responsibility to the residents of Key Colony Beach. He stated a 5% pay increase in addition to adding dental and short term disability is a little heavy on the residents. He would agree to 4% increase. Commissioner Ellis agreed with the 5% salary increase and the benefits. He said the City can afford the benefits right now. After much discussion all of the Commissioners supported a 3.5% cost of living increase and a 1.5% performance increase for a total of 5%.

Mayor DeNeale said the City has always used Miami/Ft. Lauderdale COLA as a base. Chris Moonis said because the cost of living here is 20% higher in the Marathon area than it is in Miami and Fort Lauderdale a COLA Plus should be utilized in the future. Plus comes from "Sterling's Best Places", a very reputable company that keeps track of the Cost of Living in various areas. The Commissioners agreed the COLA Plus should be utilized in the future.

Administrator Moonis reported he had spoken with Daryl Rice. It is expected there will probably get a 3 year contract for the Golf Course. Daryl has asked for more help from Public Works with the maintenance of the course.

Chris Moonis met with Chuck Lyndsay, Marathon City Manager, in regards to the Fire/EMS Services. The annual fee has increased from \$500,000 per year to \$550,000 per year. This does not include the annual \$25,000 capital payment. Marathon would prefer a 3 year contract to line this contract up with thier fire negotiations. After 3 years a CPI, or some other index, will be used for the next three year contract. The fee will be based on the comparison of Key Colony Beach property values to the City of Marathon property values. The agreement is subject to approval by the Key Colony Beach Commission and the City of Marathon Council.

Administrator Moonis asked if there are any other issues from the last meeting anyone would like to discuss. The response was no.

Chris Moonis said the economy is improving slowly and Key Colony Beach is not in a crisis mode. By leaving the millage where it is now is going to work with this budget. The increase on a \$600,000 house is \$93.78 for the property owner. This will allow the City to address issues such as a new police car and road improvements. Commissioner Ellis agreed. He said he is not interested in rollback. While we're on the high let's complete the projects that need to be done and those we would like to get done. When we are on the low we will cut back.

Mayor DeNeale said he asked Chris Moonis and Kathryn McCullough to give him a zero based budget and that is what we got.

City Clerk McCullough said she is going to cetify the millage with the Monroe County Property Appraiser's office. This will commit the City to a 2.23% millage rate. The millage can be adjusted down after this but it can not go up. The Commission agreed with a 2.23% millage.

Mayor DeNeale said because we have been fiscally well managed the City is financially healthy. Vice Mayor Sutton and Commissioner Ellis agreed to change the temporary Building/Fire Inspector from an 8 month transition period to a 6

month transition period. This number will change when we know what direction the Building Department is going with personnel changes/additions.

Chief DiGiovanni thanked everyone for everything they have done for the Police Department.

The Budget Workshop adjourned at 3:10 p.m.

Respectfully submitted

A handwritten signature in black ink, appearing to read "Cheryl Bombard". The signature is fluid and cursive, with "Cheryl" on top and "Bombard" below it.

Cheryl Bombard
Office Assistant