



## *City of Miami Springs, Florida*

The Miami Springs City Council held a **WORKSHOP MEETING** in the Council Chambers at City Hall on Wednesday, August 30, 2006, at 7:30 p.m.

### **1. Call to Order/Roll Call**

The following were present:

Mayor Billy Bain  
Vice Mayor Zavier Garcia (arrived at 7:33 p.m.)  
Councilman Bob Best  
Councilman Paul C. Dotson  
Councilman Rob Youngs

Also Present:

City Manager James R. Borgmann  
Assistant City Manager Ronald K. Gorland  
Chief of Police H. Randall Dilling  
Finance Director William Alonso  
Human Resources Director Loretta M. Boucher  
Interim Public Services Director Robert T. Williams  
Thomas W. Nash, Parks Maintenance – Foreman/Arborist  
Tammy Romero, Administrative Assistant I  
Elderly Services Director Karen L. Rosson  
City Clerk Magalí Valls

**2. Invocation:** Mayor Bain offered the invocation.

**Salute to the Flag:** The audience participated.

**3. Workshop on Proposed Fiscal Year 2006/2007 Budget (Continued from 8/8/06 and 8/21/06)**

#### **3. I. Supplemental Information on Previously Considered Items**

Finance Director William Alonso referred to the cost of living (COLA) survey showing the mean of 3.6% and median of 3.5%. He said that since the issue of merit and COLA increases seems to be important that additional surveys and studies were conducted.

Mr. Alonso stated that Attachment A shows the comparison of personnel costs to total General Fund budget for the proposed FY 2006-2007 budget. He requested the assistance of the Human Resources Department in performing a survey of comparable cities in both Miami-Dade and Broward counties. The survey consisted of requesting from each city their proposed General Fund budget for FY 2006-2007, as well as their total personal budget including salaries and benefits. The results were quite significant in that they show that the average cities' personnel costs represent approximately 67% of the total General Fund budget, while the City of Miami Springs' cost is 63%. The percentages range from a low of 55.4% to a high of 76.8% and the median is 63.15%.

Attachment B is titled COLA/Merit Increase Analysis and lists all budgeted full-time and part-time positions, excluding the 42 uniformed police officers and including the new Golf Department within the proposed budget. The report shows each position's current salary, the proposed COLA increase of 3.7% and merit increases applicable to that position if they are not at the top of the salary range. It is important to keep in mind that the COLA is a catch-up salary adjustment that merely equalizes the employees' paycheck buying power of today to that of one year ago. Additionally, some of the comparable communities surveyed are using a higher COLA adjustment and all of the communities surveyed have both a COLA and merit increase program.

Mr. Alonso noted that the total for COLA increases is \$162,970.77 or 3.2% of the total payroll of \$5,101,435. In the FY 2006-2007 proposed budget there are 68 non-uniformed positions, which represents 64% of the labor force that will only receive a COLA and no merit increase because they are at the top of their respective pay ranges.

Mr. Alonso explained that the merit increases are based on performance and act as a motivator for those employees that excel in their particular job function. Since most of the workforce is already at the top of their pay range, only 39 of the 107 full-time positions or 36% will be eligible for merit increases that range from 0.5% to 5%. The total budget for merit increases is only \$67,149 or 1.3% of the total payroll.

Mr. Alonso stated that the total combined increase in salaries due to COLA and merit increases is only 4.5% of the total payroll (\$230,120 of \$5,101,435).

Councilman Dotson asked about the longevity increases.

Finance Director Alonso stated that longevity is part of the salary structure. He referred to Councilman Dotson's plan for saving \$100,000 and said that the only way it would be possible to obtain the savings would be to take into account the longevity. Mr. Alonso said that Council needs to make two decisions in order activate the savings plan, which would be to cap both merit and COLA increases at 5% and to eliminate longevity pay.

Councilman Dotson stated that his intention is not to eliminate longevity pay. He is trying to determine if a pool of money (5%) could be established for the COLA and longevity pay and excess funds could be used for a merit increases. He noted that rows of people in departments are all getting 5% unless they are at the top of the pay range.

Councilman Dotson clarified that he is proposing a merit increase program that is more selective and recognizes top performances with a 5% increase and lower performances with 2 or 3%.

City Manager Borgmann stated that the budget may allocate a 5% merit increase for a particular position, but it does not mean that the employee will automatically receive 5%.

Mayor Bain requested information showing how much of the total funds that were budgeted for merit increases were actually spent this year.

Finance Director Alonso explained that he provided a report at the last meeting showing the actual merit increases that were given this year for each employee and he would have to compare that report with the funds that were actually budgeted.

Councilman Best felt that it would be inappropriate to legislate employee performance because it would take away the supervisor's ability to evaluate their employees.

Councilman Dotson stated that a budget is a control measure and including the maximum amount that could be spent for any category would be padding the budget, which is not realistic. He said that many companies decide at the end of the year what amount of money is to be put into a pool from which raises will be given and this would make it easier to reward the top employees.

Councilman Dotson reiterated that he is not against rewarding quality performance, but he does not like the idea of budgeting 5% for everybody. The department heads, supervisors and those responsible should be in a position that they know from the work that the employees have done what they are going to merit when the time comes.

City Manager Borgmann said that the pool of money is similar to a bonus program that should be avoided because it could involve political favoritism, which is why the City adopted a Civil Service System. He stated that a department head has an understanding of the quality of the employees that work for them, but it is hard to evaluate an employee at the beginning of the budget process and assume that the employee would be working at the same level when the evaluation is due.

Mr. Borgmann agreed that the evaluation system could be strengthened, which has been implemented over the past 1-1/2 year and there are more situations where employees are not getting the entire 5%. He explained that there is a basic evaluation form with four or five questions that is used to rate an employee with categories ranging from unsatisfactory to outstanding.

Councilman Dotson stated that his analysis is based on 75 employees excluding the department heads, police department, golf course employees and vacant positions. He said that his analysis shows the average increase is 8.4%.

Councilman Youngs asked for clarification as to why Councilman Dotson excluded certain employees from his analysis.

Councilman Dotson clarified that the golf course employees would not be considered for any increases except for the cost of living adjustment (COLA).

City Manager Borgmann explained that the golf course employees are on probation until March 1, 2007, and they would only receive a COLA increase.

Finance Director Alonso stated that the percentage of increase in Councilman Dotson's analysis for the Deputy City Clerk is not correct because it compares the current salary that does not include longevity with the proposed salary that includes longevity. He clarified that the COLA and merit increase is figured on the base salary and longevity is a one-time fixed amount that is received one time a year.

City Manager Borgmann asked what would be the dollar value of the 3.7% COLA and 5% merit increase compared to the total payroll.

Finance Director Alonso stated that the total dollar amount for the COLA is approximately \$163,000 and \$67,149 for merit increases.

Assistant City Manager Gorland clarified that 39 people are eligible for a merit increase, which is 36% of the full-time positions.

Mayor Bain said that he would like to cap the salary increases at 5% for the non-exempt employees. He explained that employees who earn higher salaries should not be eligible for an 8% raise every year because it would be detrimental to the City.

Finance Director Alonso said that his calculations show a savings of \$48,000, based on a cap of 5% for COLA and merit increases and including benefits it would be approximately \$60,000.

Councilman Dotson said that his reasoning for a pool was to find a way to help those employees who are "maxed out" and if the best employees are in that category, they could be eligible for an increase of 5% instead of 3.7%. He added that a pool would regulate how much could be paid for salary increases in a given year.

Councilman Best inquired about the yearly employee retention rate.

Mayor Bain stated that the figures show that the City has a very high retention rate. He felt that Councilman Dotson's proposal to budget a pool of funds for salary increases would limit the opportunity for employees to receive a bonus. The Mayor said that it is not fair for Council to be discussing the proposal without having a few days time to analyze the numbers.

Councilman Dotson said that he was asked to produce his proposal in writing after he explained it at the last workshop.

Councilman Youngs explained that he would like to ask Councilman Dotson a series of questions in order to be able to understand his analysis.

Councilman Dotson stated that he criticizes the way the merit program functions. There are people who are "maxed out" while there are lists of people in some departments who are budgeted to receive a 5% increase. He knows that the City is a municipal government, but it is also a corporation and he is thinking about his own experience in corporate life. Department heads in a corporation are handed their portion of the overall budget that is conceived by leaving a profit for the company, and in the City's case it should be a surplus for the City.

Councilman Dotson said that there should be some idea of what the City can afford for payroll each year. He would like a system that has the flexibility to provide incentives for people who are good performers. He explained that he did not include the Police Department employees in his analysis because their wages and benefits are negotiated by the union and the civilian employees "hitch hike" on whatever comes out of the negotiations.

Councilman Youngs commented that a number of police civilian employees are listed on attachment "B" with a total payroll of \$502,000 last year that is estimated to be \$520,000 for this budget. He felt that it might not be accurate to exclude \$520,000 from the aggregate.

City Manager Borgmann clarified that the police civilian employees are civil service employees and many benefits that the general employees receive are based on the police negotiated items, usually slightly less.

To answer Councilman Youngs' question, Finance Director Alonso said that the Golf Course salaries total \$530,000.

Finance Director Alonso stated that \$67,149 is budgeted for merit increases for eligible employees.

City Manager Borgmann explained that \$67,149 is in effect is the pool of money that was created. He asked what amount Council would like to save.

Councilman Dotson clarified that 5% of the total payroll for the end of this fiscal year would be set aside for the pool from which raises would be paid for the coming year.

Finance Director Alonso explained that the amount suggested by Councilman Dotson would be more than the amount proposed for next fiscal year because the payroll is currently \$5,101,000, 5% would amount to \$255,000 and the Administration is proposing \$230,000.

City Manager Borgmann explained that another factor to consider is that a person who is eligible for a 5% merit increase in the upcoming fiscal year would have to wait until their anniversary date, which could be later during the budget year, not October 1<sup>st</sup>.

Councilman Youngs said that the proposed COLA increases would increase the total budget by 3.19% and 1.32% for the merit increases, which is a maximum of 4.53%. He said that although longevity is not considered an increase that funds could be recovered by eliminating the benefit or by reducing \$67,149 for merit increases. He stated that Councilman Dotson's analysis did not include certain employees, which affects the aggregate and none of the listed employees should have a total increase in excess of 8.7%. Councilman Youngs explained that he would like to further review the numbers.

To answer Councilman Dotson's question, Finance Director Alonso clarified that longevity is not part of the base salary because it is a benefit that is received once a year.

Councilman Youngs stated that longevity could be included in both the current and proposed salary and it would be a "wash", but there are a certain number of employees who did not receive longevity in the last budget that might be eligible next year, which would represent an increase.

Mayor Bain said that he does not want to discuss or take away the longevity pay because employees that have dedicated more than ten years to the City deserve it.

Councilman Dotson clarified that no one wants to take away longevity pay.

Councilman Youngs explained that Council must look at all the numbers as part of the budget process.

Councilman Dotson stated that he would like the opportunity to evaluate the Finance Director's exhibits.

Mayor Bain suggested that Council could give further consideration to the merit and COLA increases during the first budget public hearing on September 11, 2006.

City Manager Borgmann advised Council that they could give direction to Staff at this point if they could agree on a set number for increases.

Further discussion ensued regarding Councilman Dotson's analysis of proposed salaries.

Councilman Youngs asked for an explanation in each case for the employees that are projected to receive more than an 8.7% increase.

Finance Director Alonso explained that Attachment B of his worksheet shows the percentage for increases, not including longevity and they range from 3.7% to 8.7% with the exception of one reclassified position in Public Works that is shown at 13.7%.

Human Resources Director Loretta Boucher stated that the budget workbook lists the proposed salaries with the COLA, longevity raises and total salary for all employees in each department, including pension and medical benefits.

Vice Mayor Garcia **requested** a comparison of average salary increases for other municipalities and whether or not they are unionized employees.

Councilman Dotson stated that he is trying to be fair, as well as fiscally responsible. He added that another factor to consider is the revenue that would be lost if the homestead exemption proposal to increase the amount from \$25,000 to \$50,000 is placed on the ballot and passes.

Human Resources Director Boucher said that a 2002 salary classification study recommended increases for some positions, mainly in Public Works; however, the Council at that time decided not to adopt the pay plan. She explained that the City of Miami Springs is behind in salaries compared to other cities and many trained utility workers are lost to Miami-Dade County. Ms. Boucher said that many employees who are residents stay with the City because of the longevity and COLA increases. She added that 60 employees out of 137 live in the City.

Ms. Boucher stated that she prepared an analysis showing that it costs approximately \$2,000 to process an employee through the system, including advertising, testing and background checks. She emphasized that the City wants loyal employees. She explained that there is a good evaluation system in place because unproductive employees do not receive a merit increase or in some cases the probation period is extended.

**3. II. Road and Transportation**

Finance Director Alonso stated that Council reviewed the Road and Transportation Fund during the last Workshop meeting.

Mr. Alonso said that the projected increase in the fund balance was previously \$132,000 and it is now \$167,525 due to the reclassification of certain equipment to the Road and Transportation Fund.

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Finance Director Alonso asked Council to consider if they wanted to budget \$4,000 for laptop computers.

Councilman Best and Councilman Dotson said that they did not want laptop computers.

Councilman Youngs said that he did not want to delay the technology and he could use his own computer.

Vice Mayor Garcia stated that he would like to have a laptop computer in order to be able to save paper.

Mayor Bain explained that he would not want to spend the funds for a computer that he might not use. He added that he would approve the purchase of a computer for Vice Mayor Garcia as long as he would utilize it.

Finance Director Alonso explained that the elimination of four computers would raise the fund balance to \$170,725.

Mayor Bain asked to review the “wish list” for Public Works equipment.

Finance Director Alonso stated that the revised list totals \$194,000, which includes \$117,000 for a trash crane, \$15,000 for the fuel tank on a trailer, \$15,000 for a tow behind Vac-con, \$22,000 for leak detection equipment and \$25,000 for one F250 pickup truck.

Mr. Alonso explained that the water and sewer items totaled approximately \$62,000, which could be budgeted and put on hold pending the issue with the County taking over the system.

City Manager Borgmann stated that the possible transfer of the system to the County would probably not be until the next budget year. He explained that additional studies are required by the Environmental Protection Agency (EPA) and the Department of Environmental Resources (DERM) on the water and sewer system, which would cost approximately \$80,000.

Vice Mayor Garcia requested a comparison of the level of service that the County and City would provide if the transfer of the system takes place.

City Manager Borgmann explained that Council would receive a full report because there are employees and equipment that must be taken into consideration.

Mayor Bain stated that he is optimistic about the transfer of the system, the proposal seems promising and it would create a savings for the residents.

City Manager Borgmann said that the transfer of the system is regulated by State Statutes and it must be approved by the County Commission. He explained that the County requested a voluminous amount of information and he is waiting for documents from Post, Buckley, Schuh and Jernigan that will be shipped to the County.

Mayor Bain asked Council if they approved of the Public Works' vehicle and equipment request.

Councilman Youngs stated that a significant reduction was made since the first proposal totaling \$232,000 and he is comfortable with the request.

Finance Director Alonso suggested that the items could be put on hold for consideration at a later date.

The Administration will submit an itemized breakdown of the City Planner's request for \$75,000 for professional services related to the Comprehensive Plan amendments and district boundary regulations.

Mayor Bain asked if there was any additional information related to the relocation of the tennis courts.

City Manager Borgmann stated that the relocation of the tennis courts is one project in the Recreation Master Plan that could be accomplished in an annual budget. He received an estimate several years ago of \$25,000 per court and recently he received an estimate from a more knowledgeable company of \$500,000 for six courts. Mr. Borgmann said that the tennis facility could include a small pro shop and restroom.

Mayor Bain said that discussion took place at the last workshop meeting about converting the existing tennis courts into outdoor basketball courts. He asked Council if they wanted to consider relocating the tennis courts in this year's budget.

Councilman Best stated that it would be appropriate to relocate the tennis courts to the Golf Course instead of spending the funds to renovate the existing courts. He suggested getting estimates that could be presented for the upcoming budget.

Mayor Bain asked the Administration to come back with a proposal for the location on the Golf Course and an estimate for five courts with a unisex restroom.

Councilman Dotson is in favor of relocating the tennis courts but not all five or six right away. He would like more information as to the location because if the courts were located behind the clubhouse it might be possible to use the existing restrooms. He explained that he has heard from people who are for and against playing at the Golf Course and he would like a transition period with courts at both locations.

City Manager Borgmann stated that the reasoning behind his proposal for five courts instead of six is because of the concern about developing the Golf Course. He said that if the courts were split to three at each location that the High School would no longer be able to utilize the courts for practice or tennis matches. Mr. Borgmann said the primary goal is to encourage play.

Councilman Youngs felt that the relocation of the tennis courts is a lesser priority than salary increases or proper sanitation equipment but he would like the City Manager to pursue the idea so that Council can make the final decision.

Councilman Dotson reminded Staff that he had suggested taking a survey of the people using the existing tennis courts and which location they preferred.

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### **3. III. Water & Sewer**

Finance Director Alonso stated that the Water and Sewer budget is 16% lower than the current year due to a reduction in water purchases. Aside from the requests for machinery and equipment, Professional Services includes \$15,000 to update the water atlas to GIS.

Mr. Alonso added that the Water and Sewer Fund will not require a General Fund subsidy this year. The fund is fully self-sufficient and projected to make a small profit that will go into reserve.

The Finance Director stated that the Sewer budget is down by 23% due to the reduction in sewer processing costs to the County. This year's budget includes \$750,000 for rehabilitation of the sewer lines, including \$15,000 for the tow behind Vac-con.

Due to the continued sleeving of the sewer lines, the sewer processing costs paid to the County are projected to decrease by \$640,000, according to Mr. Alonso.

Councilman Dotson inquired about the sleeving and the condition of the sewer lines.

Interim Public Services Director Robert Williams stated that he is not aware of any severe problems, although Post, Buckley, Schuh and Jernigan, Inc. is completing a study.

### **3. IV. Sanitation**

Finance Director Alonso stated that the proposed budget for FY 2006-2007 is approximately 2% higher than the prior year. The budget includes \$117,000 for the possible purchase of the trash crane and the Department of Solid Waste has advised the City of a 4.5% rate increase effective October 1<sup>st</sup>.

Mr. Alonso reported that the Sanitation Fund would necessitate a subsidy from the General Fund of approximately \$435,000 this year.

To answer Councilman Dotson's question, Mr. Alonso explained that he does not want to show a deficit fund balance because it has a direct effect on the City's credit rating.

Councilman Dotson said that even with the rate increases the amount of the subsidy seems to be getting larger. He said that some residents cannot afford to pay the rate increases and there must be an answer.

Finance Director Alonso stated that historically the sanitation rates have been very low compared to other areas in the community, considering the level of service that is provided to the residents. He explained that most of the workers' compensation claims are sanitation related. Mr. Alonso said that in order for the fund to break even, each residence would have to pay \$550.00 per year.

City Manager Borgmann said that there may be various ways to lower the costs but they are not resident friendly.

Further discussion ensued regarding the water, sewer and sanitation rates and the pros and cons of placing the sanitation fee on the annual tax bill.

Interim Public Services Director Williams said that when comparing costs with other areas in the County that the level of service is important to consider because the County offers two bulk trash pick-ups per year and the City of Miami Springs has one per week. The City pulls the garbage containers out to the curb and the County does not provide that service.

Vice Mayor Garcia suggested surveying the residents to determine if they want to pay to maintain the same level of sanitation service or to cut services in order to reduce the cost.

Mayor Bain asked Council for a decision on the \$117,000 request for a trash crane.

Councilman Dotson said that he would vote against the truck because it is an expensive way to develop a spare vehicle that should be properly maintained with preventative maintenance and the purchase could be delayed until next year.

Councilman Best stated that he would agree with Councilman Dotson to eliminate the trash crane.

Interim Public Services Director Williams said that prior to the purchase of two trash cranes it took one month to sweep the City with two rear-loaders, two tractors and twelve employees and the cranes can clean the City in one week. He added that one crane broke down after Hurricane Wilma and it was a bad situation.

Councilman Youngs stated that the trash crane is the number one priority on the equipment list and it would be better to reduce the capital expenditures by eliminating some of the lower priority items.

Finance Director Alonso pointed out that the trash crane is the only equipment requested for the sanitation department and eliminating the other items on the list would not affect the sanitation budget.

Interim Public Services Director Williams stated that vehicle 506 was purchased in 2001 for \$99,000 and it has maintenance costs of \$68,380 in the last five years. He explained that the new crane would replace one vehicle that would be used as a spare.

Councilman Dotson was concerned about the increased annual cost to operate the Sanitation Fund.

Further discussion ensued regarding the request for a trash crane.

City Manager Borgmann explained that the truck would replace a five-year old trash crane with \$68,000 in repairs and if the crane goes down for any significant amount of time, it will put the weekly trash schedule in jeopardy.

Mayor Bain stated that he would like to discuss the matter further with Mr. Williams before making a decision.

Councilman Youngs said that if the goal is to cut expenses in the General Fund, the Administration can determine how important the trash crane is and cut expenses in other areas.

Councilman Best stated that the continued subsidy to the Sanitation Fund must be corrected.

Vice Mayor Garcia said that he would not want to jeopardize the quality or level of service to the residents.

City Manager Borgmann reminded Council of the numerous garbage complaints that were received last year during the hurricane clean-up.

Council **deferred** the request to purchase a trash crane to the September 11, 2006 meeting.

### **3. V. Stormwater**

Finance Director Alonso stated that the proposed budget is approximately \$1MM less than the current year because the basin 14 project is now complete. The total budget is \$421,877, including \$100,000 in Improvements other than Building for the basin 13 project.

Councilman Dotson commented that the overtime is 50% more than this year's projection.

City Manager Borgmann stated that the overtime estimate is based on last year's experience during the hurricanes, which is usually reimbursed by FEMA if it is a hurricane related expense. He explained that the funds must be budgeted as an expense.

Interim Public Services Director Williams said that the overtime expenses were estimated based on the hurricane forecast.

Mayor Bain was of the opinion that the overtime amount could be adjusted.

City Manager Borgmann explained that the employees are cross-trained to work in other divisions and if they work overtime, they are paid out of their respective divisions.

Council **requested** a reduction in the amount budgeted for overtime.

### **3. VI. Debt Service**

Finance Director Alonso stated that the debt service is the means for funding the Golf Course General Obligation Bonds. The total budget is \$398,608 including \$220,000 for principal, \$176,000 for interest, and \$1,800 for administrative charges that are paid with the assessment of ad valorem taxes.

**3. VII. Discussion Regarding the Miami Springs Historical Museum Location and Annual Expenditure of \$18,000**

City Manager Borgmann stated that the Miami Springs Historical Society members are requesting assistance totaling \$1,500 per month to cover rent and utilities for a storefront on Westward Drive.

Finance Director Alonso stated that \$10,000 is budgeted and the members are requesting \$18,000.

To answer Councilman Youngs' question, City Manager Borgmann explained that the museum items were removed from the Miami Springs Pharmacy building and put into temporary storage in Hialeah and various locations.

Councilman Dotson stated that the storefront location would be temporary and perhaps a long-term solution could be considered in the next budget.

City Manager Borgmann said that it would be logical to have space for the museum in the Curtiss Mansion once it is restored.

Council **approved** the request for \$18,000.

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City Manager Borgmann read the following memorandum from City Planner Richard Ventura:

*“With the FY 2007 proposed expenditures for the Canal Street Park project broken out as a separate item, there are no additional expenditures envisioned for “Comprehensive Planning-Professional Services” aside from those entirely dedicated for the 36<sup>th</sup> Street corridor.*

*As part of this process, a 2-hour presentation by a real estate consultant as an agenda item during a Council meeting would encumber approximately \$600 of the \$75,000. If Council wishes to expand this to a special meeting for a separate evening workshop on 36<sup>th</sup> Street, the consultant’s fee would go up to approximately \$1,200. The consultant’s purpose would be to speak on the best type of development to encourage along 36<sup>th</sup> Street in today’s market.*

*The rest of the \$75,000 would be for another consultant or firm to study the corridor and either suggest amendments to the existing Airport district boundary regulations or re-write it entirely.”*

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**4. Adjourn.**

There being no further business to be discussed the meeting was adjourned at 10:15 p.m.

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Billy Bain  
Mayor

**ATTEST:**

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Magalí Valls, CMC  
City Clerk

Approved as written during meeting of: 9/25/2006

Transcription assistance provided by S. Hitaffer

Words ~~stricken through~~ have been deleted. Underscored words represent changes. All other words remain unchanged.