

M I N U T E S
SPECIAL COUNCIL MEETING
CITY OF HOLLY HILL, FLORIDA
NOVEMBER 1, 1994

1. CALL TO ORDER

Mayor Virginia Wine called the meeting to order in Council Chambers in City Hall, 1065 Ridgewood Avenue at 7:30 p.m.

Answering roll call were Mayor Wine, Councilman Arthur Byrnes, Councilman J. D. Mellette, Councilman Shirley Heyman and Councilman Jim Elliott.

Also attending were City Manager Ralph Hester, City Attorney Edward Simpson, Chief of Police Pat Finn and Deputy City Clerk Sue W. Blackwell.

2. AUDIENCE PARTICIPATION

None

3. DISCUSSION/ACTION ON REPORT FROM ACTUARY ON PROPOSED FIRE PENSION AMENDMENTS

Mayor Wine told Council Mr. Wilson from Wyatt was here to answer any questions Council has on the pension. Their attorney (Mr. Weiner) was also present.

Mr. Wilson said the assumptions are made on the long term situation as well as the present. In 1992 they used an assumption of 7 1/2 %. They decided this was a conservative percentage. The State reviewed the plan and approved 8%.

Members of Council questioned Mr. Wilson on the report (copy attached) given to Council outlining the plan. The change in the normal retirement age from 52 to 50 was noted as well as the early retirement age being lowered from 50 to 48. Another change was the monthly benefit which increased from 2 3/4% to 3%. An additional cost of a \$3 per year of service supplemental benefit was granted.

After discussing the proposed changes in depth the Council agreed by consensus to have the City Attorney draw an ordinance amending the Firemen's Pension Ordinance. The ordinance will have to be read at two meetings before becoming effective.

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

Mayor Wine and members of the Council told the audience and Firemen present they had to be very careful in considering this matter because the City's taxpayers are the ones who will have to pay any unfunded liability or shortfall in the pension plan.

4. RESTRUCTURING OF PUBLIC WORKS

Mr. Hester called attention to the final report from LaRue Planning & Management Associates which listed approximately eight areas for Council consideration. The report was in response to a requested study on areas where the City could make savings without cutting services to the citizens. Mr. Hester said he had written a summary of the report which Mayor Wine asked him to read to everyone. He read:

November 1, 1994

MEMORANDUM

TO: *Mayor
 Council*

FROM: *Ralph K. Hester
 City Manager*

RE: *Analysis of the LaRue Report highlighting
 areas for potential Cost Savings*

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

At a special meeting held on August 16, 1994 Mr. James LaRue presented you with a draft report highlighting potential areas of savings. Mr. LaRue addressed the following eight areas that represented potential personnel savings;

- 1. Contract with the County for Fire Services*
- 2. Consider a Public Safety Department combining the Administrative duties of Police & Fire.*
- 3. County 911 Dispatch Service*
- 4. Solicit RFP for Water and Wastewater Management*
- 5. Solicit RFP for Sanitation, both residential and commercial*
- 6. Eliminate six (6) positions in 1994/95 Budget*
- 7. Re-align secretarial support positions (three into two positions)*
- 8. Restructure Public Works Department*

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

Option 1: Contracting for the County for Fire Services. This option would bring no real cost savings to the City. The County would want an amount close to what was in our budget to operate the department. If it were part of the Fire District, the people would pay a similar millage rate and they would not realize any great savings. At this time I would recommend that we stay with our existing relationship utilizing the fire service as a part of the City of Holly Hill.

Option 2: Considering a Public Safety Department. I would ask that the Council allow me to revisit this concept in light of the fact that Chief Lacy has elected to take an early retirement. A re-alignment of the department with the addition of an operations Captain position would allow us to take the administrative functions of the department and place them under the authority of the Police Chief. In effect, creating a Public Safety Director's position with no

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

chiefs in either department. The day to day operations would be managed by Captains. This could realize the potential of \$30,000 a year in savings.

Option 3: 911 County Dispatch. Council has already said "No" to this option at the August 16, 1994 meeting.

Option 4: Request RFP's for Water and Wastewater Management. Council has since authorized administration to solicit a firm to identify cost savings and keep the management of the Water and Wastewater Departments.

Option 5: Solicit RFP's for Sanitation Department. I would recommend that the City continue exploring this option and solicit proposals for the Council

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

to consider allowing private business to bid on the residential and commercial sanitation services.

Option 6: Identify six (6) positions for elimination. This has already been implemented in the current budget.

Option 7: Re-align Secretarial Positions (three positions into two positions). This option has already been accomplished.

Option 8: Proposal from Mr. LaRue to restructure the Public Works Department reclassifying the Public Services Director position (Pay Grade 29) to Public Works Manager (Pay Grade 25) and in additional correspondence which is part of the final report Mr. LaRue recommends that this restructuring reclassify the supervisor positions into foreman positions (Pay Grade 13). At this time the

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

Public Services Director position is vacant and has been advertised. If the Council wishes to accept this recommendation as presented by Mr. LaRue, I would recommend that they do it soon to enable me to fill the position.

In restructuring the Public Works Department it will be necessary to pass an ordinance amending the Holly Hill Code Section 2-257 which creates the different divisions in Public Works under the supervision of a Public Services Director position. Also, any realignment of wages would fall under the regulations in the Civil Service Ordinance Section 22 titled "Reductions, Lay-offs and Suspensions". Any order issued under this section shall be held for 30 days allowing affected employees to appeal to the Employees Appeals Committee or the Civil Service Board. If the Council approves these recommendations I would request one small change in the Public Works realignment. The LaRue Report

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

recommends Building/Grounds Division be placed under the supervision of the Administrative Assistant and I would recommend that the Council leave that under the Public Works Manager position.

The Goal of the City when Mr. LaRue was hired was to find ways to reduce the cost of government during a time of a declining tax base. Approximately 70% of the budget is personnel related. Hopefully implementing the changes as recommended by Mr. LaRue will reduce those budget cost and allow us to free up funds for infra structure replacement and repairs without increasing our tax rate.

After Mr. Hester read the memo, Council decided to discuss and act on each option so there would be clear direction for the Administrative staff. Listed below is each option by number which corresponds with the memo:

Councilman Byrnes said he wanted to ask about the last paragraph as he was under the assumption that we met the numbers we asked for. Mr. Hester agreed we did. He said we met the \$120,000 on the six positions and the \$130,000 potential savings by the early retirement program. He said he hoped Council would look carefully at the budget before asking for a millage increase.

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

Councilman Byrnes said he had no problem with Option 2 - Public Safety Department. Councilman Mellette agreed so long as it is administrative only. Mr. Hester said this would require another report or two.

Mayor Wine said Option 3 is already a "NO" but on Option 4, it comes up at the next Council meeting.

Councilman Elliott asked if Option 1 has been finalized? Mr. Mellette said it was as far as he is concerned and Mayor Wine said it was "status quo". Mr. Hester said there were not enough dollars to change at this time. Mr. Mellette said he did not want to see the City lose control of the Department. Mayor Wine agreed. She asked Mr. Elliott if that was what he wanted and he agreed it was.

Mr. Hester said after talking with the Attorney, in as much as this is a Special Called Meeting, he asked that a motion be made on each item rather than general discussion.

OPTION 1. CONTRACT WITH THE COUNTY FOR FIRE SERVICE

Mr. Hester talked about the two options listed in Mr. LaRue's report; one being contracting with the County to provide these services and two, become a part of a Fire District. Mr. Hester said neither of these two options afforded the City much of a savings. Members of Council discussed this matter and then

Councilman Mellette moved to hold the status quo/leave it under the City's control being seconded by Councilman Elliott. The motion CARRIED 5-0 on roll call.

OPTION 2. CONSIDER A PUBLIC SAFETY DEPARTMENT COMBINING THE ADMINISTRATIVE DUTIES OF POLICE AND FIRE

The City Manager asked Council to revisit this concept in view of the changes discussed this evening which will allow Chief Lacy to retire. Mr. Hester said the realignment would save about \$30,000 per year. It was noted this is strictly an administrative function and the men would not be cross-trained, An operations Captain would be added to take the administrative functions of the department and place them under the authority of the Police Chief.

Councilman Mellette moved to consider this option and have the information brought back to the Council for a final decision being seconded by Councilman Byrnes who said he would second the motion as long as this is a money savings and not just a restructuring. The motion CARRIED 5-0 on roll call.

OPTION 3. COUNTY 911 DISPATCH SERVICE

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

Council has already voted no on this item. Mayor Wine said Council should consider this at a later date because of the 800mhz system. Councilman Byrnes said part of the problem was because the Council never got any solid numbers on this proposal. Mr. Hester said the County never could agree on the numbers. EVAC said they would do Fire and the Sheriff's Dept. would have to do Police.

OPTION 4. SOLICIT RFP FOR WATER AND WASTEWATER MANAGEMENT

Mr. Hester said Council has already acted on this by asking for an RFP.

OPTION 5. SOLICIT RFP FOR SANITATION, BOTH RESIDENTIAL AND COMMERCIAL

Mayor Wine said other cities have already tried this and it is not costing their taxpayers as much as it costs us. She said this is an option we could consider and it could always be turned down. Councilman Byrnes said people in the other cities complain about the quality of their service compared to when the City ran the business. Councilman Mellette said to save money, you have to give up something and it is usually the quality. He said it should stay the way it is in his opinion. Mayor Wine said her point is that we should ask for an RFP to find out all the options. She asked Council what they wanted to do with this Option 5.

Councilman Heyman moved to leave it alone for the present time being seconded by Councilman Mellette. The motion CARRIED 5-0 on roll call.

OPTION 6. ELIMINATE SIX (6) POSITIONS IN 1994/95 BUDGET

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

Mayor Wine said this has already been done.

OPTION 7. RE-ALIGN SECRETARIAL SUPPORT POSITIONS (THREE INTO TWO POSITIONS)

Mayor Wine said this has already been done.

OPTION 8. RESTRUCTURE PUBLIC WORKS DEPARTMENT

The following is verbatim as requested. In the interest of time most titles have been omitted.

Elliott: In our discussions, would you say that the Public Services Director position is needed over a just a manager position? (To Hester)

Hester: At this time, I don't see any major capital construction going on. The way the LaRue report proposed it, the Public Works Manager would report directly to the City Manager. The Utility Manager would report directly to the City Manager. I believe that is what the structure was back in 1989 or 1990 before they created the Public Service position.

Elliott: That position was primarily made because of the construction at the...

Hester: I believe at that time, the City had a lot of water/wastewater problems. They were in a..you know, not speaking from history here but I think they were getting in the process of building a new facility. They had EPA problems and I think that was one of the reasons for the Council creating that.

Byrnes: We just authorized a half a million dollars to be spent on the reuse water system. That is going to be somewhat of a construction management problem.

Wine: That is under a contract.

Byrnes: We have somebody..somebody still has to interface with the contractor, Madam Mayor. The City Manager has a lot of items on his plate...

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

Hester: Mr. D. Martin is acting as the construction manager on that project.

Heyman: We don't really need somebody with a P.E. degree, right?

Hester: That's correct.

Heyman: Just the qualifications?

Hester: We are in the process of advertising for engineers and I have a number of proposals from them for the Council to interview and the Council to get back into selecting an engineer for an ongoing relationship with the City so we don't chop it up in a lot of little projects. ...there is some continuity there. That is the history the City had for a number of years when they had...I think the last engineer was Russell & Axon before they went out of business and I guess my recommendation would be for the Council to get some comfort level in an engineers presentation. It would be good if they were involved in the selection of the engineers.

Wine: If we get an engineering firm, see they are your consulting engineers. They have someone on staff that works with the City and they have their own liability insurance. If there's a mistake made, they eat it. Their insurance company has to take care of it. So, if you go with what the LaRue report says, you don't necessarily have to have an engineer in those positions.

Elliott: So, are you saying we should go back to the old structure.

Hester: I'm saying you are trying to identify areas where you can save money and that's a position ..on Public Services Director, you can save money.

I suspect for the foreseeable future, we are going to spend a lot of time looking at ways to save money...unless we get some great redevelopment going down on US 1 that brings in the tax dollars.

Elliott: I'm just wondering if we redo this, how long will it be before we redo it again?

Mellette: ..redo it again.

Byrnes: That's my concern plus the fact that mainly there is going to be one person that suffers from this and I don't think it is fair to have one person suffer...

Wine: How do you mean a person suffers? I'm lost somewhere along the line.

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

Byrnes: You don't read your agenda, Madam Mayor? There's one person that is going to take a \$10,000 pay cut because of this.

Wine: I don't think that's...I don't think that has been brought out.

Byrnes: It is right here.

Wine: Where?

Byrnes: Attachments, September 19th..(Unable to understand.)

Wine: That's up to the City Manager to do that.

Heyman: Looks like two people here.

Byrnes: One person is about to retire and actually won't be hurt very much at all. The other person will be damaged fairly largely.

Heyman: Mr. Hester, could I ask you where you got those figures though for the...like the \$10,192 and the \$9,330? I mean, how did you arrive at that? (Referring to memo from Finance Director dated 9/19/94 to the City Manager - Copy attached.)

Hester: It is based on looking at the our current Pay and Classification Plan. If you realign somebody and create..put them in a different pay grade. You are required to take them down to the maximum of that pay grade...unless the Council wishes otherwise. The Pay and Classification Plan what was adopted by the Council is pretty specific on dealing with that.

Heyman: Well, I worked over two hours this afternoon on that payroll roster and what I couldn't figure out is before these guys were promoted, they got \$4,305 raise is all they got from what I gather and the other one got a \$4,784 raise. I don't feel it would be right to bring them back down way past what they were when they got promoted.

Wine: It wouldn't be fair at all.

Hester: What you are dealing with is..is the market conditions on the value of the job. The last they did a Pay and Classification Study with Cody they decreased a lot of the maximums for City positions. What we are saying here is unless the Council takes some different action, our

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

Classification and Pay..Pay Plan requires us to take them to the maximum. At least put them within the range of the new job that you are reclassifying them in.

Heyman: But we don't have to do that, right? We don't have to cut them that much.

Hester: You are the legislative branch. You don't have to do anything.

Byrnes: How many times has that been implemented in recent history?

Hester: I don't know. Since I've been here when we had a restudy and Mr. Bethea was the recipient of that and he went down to the maximum in the category that the Council adopted. When the Recreation Director was eliminated, the duties went to the City Manager and he became a Recreation Supervisor.

Heyman: He got a \$5,366 cut...decrease.

Hester: Which put him in the top end of the range based on our Pay and Classification Plan.

Wine: You see, prior we always had a Public Works Manager and or a Public Works Utility or whatever they were called. I don't know that they were called Managers. What were they called?

Blackwell: Directors, I think.

Wine: Directors...Public Works Director and a Public Services Director. We didn't have to have another layer over that and when you have another layer, that is the reason you can't give employees any decent cost of living when they have another layer and with the set back we are in, I don't know why the big problem is in deleting a position.

Byrnes: And as I...

Wine: I just don't understand why there is such a big deal about deleting the Public Services Director's positions.

Byrnes: And as I s....

Wine: We can manage with the...(end of tape) They can do with a Public Works Manager and/or a Public Utilities Manager.

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

Byrnes: And as I stated at the last meeting, when we were talking about that and as I have been consistently saying, I don't have a major problem with restructuring the positions. The problem I do have is that we are taking one and possibly two people and putting \$20,000 of this restructuring on their back and that to me is unfair.

Wine: Well...

Byrnes: Especially as Mrs. Heyman pointed out, that one of them only got a \$4,000 change to take the other position.

Wine: Well, then they shouldn't have to take anymore than that when they drop the position.

Heyman: That's what I am saying Mr. Byrnes...

Wine: That's my point too. I don't know where those figures came from either.

Heyman: There was no problem cutting \$5,366 from Mr. Bethea but what I'm saying is, I don't think it would be fair...

Mellette: To take them below what they were making...

Heyman: ...to take a \$10,000 cut.

Wine: Right. Because see...

Heyman: I agree with you.

Wine: These same people earned merit increases in the last four or five years and it's not fair to take their merit increases...

Heyman: You'd be taking all of that away...

Wine: Yes. They've had merit increases and if they ...if their supervisors said they earned it, they earned it.

Mellette: How much are we going...

Byrnes: Then...

Mellette: Go ahead Mr. Byrnes.

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

Byrnes: Go ahead.

Mellette: How much are we going to be saving by the salary we were paying the previous Public Service Director against the one we will be hiring, if we hire one? How much of a savings will we have there?

Wine: Well, we haven't hired anyone yet so they don't know.

Mellette: He should know the salary range that he intends to pay.

Byrnes: Yes, what is the range?

Hester: Well, there's less...there would be less cost in hiring a Public Works Manager because the job description does not require a ...

Wine: A "P.E." (Professional Engineer)

Hester: ...an engineering background. Let me check on what the savings would be. (Brief pause.)

From the Public Works Director's position, I believe it would be about a \$12,000 from what Mr. Chattin was earning. I believe he was at the top end of his range and I believe if we went to a Public Works Manager at 35 to 38, you might be...

Mellette: 20..

Hester: 15. Depends on the candidates. To be honest with you, there are some people who bring more to the job. If you were downgrading it to Public Works Manager, I'd have to re-advertise, contact all those who had submitted resumes and see if they're still be interested at a lesser pay range...but you probably got \$15,000 in savings at a minimum.

Heyman: Well, I think what we really need is somebody that knows the Water Department inside and out and knows how to patch a street. Somebody that could retrain our personnel because you all are telling me we need consultants to go in there because they don't know what they are doing so if we hire a man that knows how to do all this, he can go in there and train them and we can save that \$17,000....

Hester: I don't think...

Heyman: ...but you are going to have to pay them about fifty grand.

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

Hester: You are going to pay them a lot more than that...

Mellette: ...A lot more than that.

Hester: ...if you are going to find one man to analyze the water and wastewater and all the different facets of it.

Heyman: If he is not state certified, we don't need anybody that is state certified.

Hester: Well, you've got...If you go to Public Works Manager concept, that is just over Building, Grounds, the Garage, Sanitation Dept. and Streets. Mr. Schulz is in the position of Utility Manager now. Mr. Schulz is scheduled to retire in August, 1995.

Heyman: So in other words, he wouldn't be over the Water Department. Is that what you said?

Hester: Not as a Public Works Manager at this time.

Wine: Not at this time.

Hester: You are just dealing with the Public Works side of it now, not the Utilities side.

Heyman: Well, what do you all want to do?

Mellette: I feel like we met our goals. We were after "X" amount of dollars and we accomplished it. I'd like to see it left the way it is, try to come up with a ...call it Public Works Director if you want to or Public Works Manager, but find the person to fill Mr. Chattin's slot for the lowest dollar value possible and go that way.

Hester: You talking about finding someone in Pay Grade 25?

Unknown: No.

Byrnes: Yeah, that sounds good.

Hester: You are talking about down-scaling the Public Services Director to Pay Grade...

Wine: to Pay Grade 25...

Hester: 25 from Pay Grade 29...

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

Mellette: And leave the rest alone.

Wine: So you'll advertise for a Public Works Manager?

Hester: If that is the consensus of this Council, I will begin that process. Mr. Simpson will have to amend the ordinance to reflect that because of the fact the ordinance created a Public Services Director and that would have to be amended as well.

Wine: Okay.

Hester: If that's in form of some...

Byrnes: Is that a motion?

Wine: Motion?

Mellette: I make that as a motion.

Byrnes: Then I'll second that.

Wine: Any further discussion?

Call the roll.

Blackwell: Councilman Mellette?

Mellette: Yes.

Blackwell: Councilman Byrnes?

Byrnes: Yes.

Blackwell: Councilman Heyman?

Heyman: Yes.

Blackwell: Councilman Elliott?

Elliott: Yes.

Blackwell: Mayor Wine?

MINUTES
SPECIAL COUNCIL MEETING
NOVEMBER 1, 1994

Wine: Yes.

Wine: Is that all your comments, Mr. Hester?

Hester: That's all I have Madam Mayor.

Wine: Anymore comments?

Mellette: I have none.

Wine: The meeting is adjourned. (8:40 p.m.)

Mayor

ATTEST:

City Clerk/Manager