

M I N U T E S
SPECIAL MASTER HEARING
CITY OF HOLLY HILL, FLORIDA
APRIL 6, 1993

1. CALL TO ORDER

Mayor Thomas C. Ryan called the meeting to order at 7:30 p.m. in Council Chambers at Sica Hall, 1065 Daytona Avenue.

Answering roll call were Mayor Ryan, Councilman Arthur Byrnes, Councilman J. D. Mellette, Councilman Robert Chesnowitz and Councilman Jim Gaither.

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

2. INTRODUCTION TO HEARING PROCESS BY CITY ATTORNEY

Mr. Simpson, City Attorney, explained briefly the background which brought this meeting about. He stated that in May, 1992, the City and the PBA Union undertook the negotiation of a contract for the period of October 1, 1992 through September 30, 1993. The City and the Union were unable to agree and an impasse was declared. Based on the impasse certain issues the City and the Union were unable to agree on were submitted to a Special Master. The Special Master conducted a hearing and issued a written report containing findings and recommendations with respect to the disputed issues. The findings in the report were presented to both sides and each side had the opportunity to object to the recommendations contained in the report.

Mr. Simpson informed Council they were sitting as a legislative body to hear the objections to the recommendations from each side. Both sides will make a presentation.

Mr. Simpson read from the statute which explained exactly what the Council was supposed to do in listening to both sides presentation. He told Council after the meeting they would direct him by motion to prepare an agreement to be submitted to both sides containing what they think it should contain in respect to the impasse issues. He told Council they would address specifically the objected portion and make decision with respect to each one. He stated PBA has two objections and the City has three.

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3. PRESENTATIONS BY CITY AND PBA

The Mayor stated the City would go first then PBA would have time for rebuttal then PBA could give their side and the City would have time for rebuttal. He set a twelve (12) minute time limit on presentation and a seven (7) minute time limit on rebuttal. He gave a five (5) minute time limit to the general public.

The question was asked if the time limit was for each point or for all points total and the Mayor replied all points total.

A. CITY PRESENTATION

The City Manager stated the City takes exception to three of the Special Master's recommendations:

1. Issue 4 Article 24.1 (Wages)
2. Issue 5 Article 24.3 (Lump Sum Merit)
3. Issue 7 Article 29.3 (Insurance)

He stated the City's position on the issues are as follows:

1. The City's accepts the Master's one and a half (1.5) percent COLA but does not accept it should be retroactive. He feels a retroactive award effects the collective bargaining in good faith issues in there could be a tendency to let hearings take care of negotiations. The City Manager recommends the Council address any COLA issues from the date of the report forward.

2. It has been managements contention a merit is a reward for specific performance based on a certain length of time. (In this case being one year) The merit should be a lump sum reward not added to the base rate. Mr. Hester stated by adding to the base rate you are basically creating an annuity for the employee. Lump sum over a period of time as opposed to a compounding factor in a base rate is a savings for the City of over five million (5,000,000) dollars over a ten (10) year period.

3. The City rejects that Life insurance be equal to the annual salary. At present our life insurance is ten thousand (10,000) dollars and our benefit package over all is actually forty two (42) percent. Mr. Hester stated he thinks we have one of the best benefit packages in the area overall. It is recommended any changes be addressed in next years negotiations.

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PBA REBUTTAL

1. Mr. Davenport, stated in March 1991, Council adopted a resolution (90-R-17, Long and Associates pay study) which the department is now serving under. It states as to how and to what manner merit system and lump sum payments will be made. Lump sum payments are a reward to retain long term employees it is not for people to progress through the pay scale. The City has always used a formula to help the employee progress through the pay scale. The only way a person can progress through the pay range is through a merit system. He stated that with the top end and the bottom end of the pay scale frozen then you could progress through the pay plan with a lump sum payment.

2. Mr. Davenport contended, one and a half (1.5) percent is way below the Consumer Price Index which is three (3) percent and the fact the one and half (1.5) percent is not retroactive is not fair.

Mr. Davenport stated they have worked and been employed for another year and are entitled to retroactive COLA.

3. There are several Cities in the area that are paying annual salary for Life insurance. There are only three Cities not using the annual salary and it is respectfully asked that the Special Masters findings be overturned and found in PBA's favor.

B. PBA'S PRESENTATION

1. Mr. Davenport stated there was a problem with out of sequence numbering and the main out of sequence numbering had to do with "Call Out Time" (Article 7). The old 7.4 in the contract referred to "call out" time as "court time." When the City inserted a new 7.2, it moved everything in the sequence down by one number. When the Special Master made his ruling he made it on 7.4 which should have been 7.5.

He did not move it down and approach it from that direction.

The City is currently using a two (2) hour "call out". It is asked a three (3) hour "call out" for court time be considered. It takes longer to prepare for court and ruins the officer's day if he is off an is called to court.

2. Mr. Davenport stated the City of Holly Hill is way down the list on how they rank with the other Cities pertaining to the Pension

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Plan. He stated in Holly Hill the City pays eight (8) percent and the employees pay six point six (6.6) percent. He said the eight percent is not a true eight percent because several years ago the officers voted to take a two and a half (2.5) percent increase to their pension plan in lieu of a raise for two years. He stated during negotiations the City made a statement saying they would be willing to fund the plan so the members of the department could increase their retirement to two and three quarters (2.75) percent. He stated they were asking the City to go forward and progress.

CITY REBUTTAL

Mr. Hester stated the rebuttal would deal with two issues, the call out and the pension.

Mr. Hester felt that there was no confusion on the Special Master's part as PBA has previously claimed. He stated a two (2) hour call out was negotiated the prior year and the City chose to maintain it in this years negotiation process.

Mr. Hester addressed the Pension stating it is true the City contributes eight (8) percent and the employee contributes six point six (6.6) percent. He brought up the point each year the City funds the pension plan to make it actuarial sound. This year the balance the City will contribute in addition to the eight (8) percent is an additional forty nine thousand one hundred and fifty six dollars (\$49,156) which represents six point four (6.4) percent. The City is actually contributing fourteen point four (14.4) percent to the pension.

4. AUDIENCE PARTICIPATION

The Mayor opened the floor to comments. He asked the comments be kept brief and questions be directed. He stated he would allow time for questions to be answered.

Joe Borrelli, police officer, brought out a couple of points which he felt were not brought out adequately enough. He said five (5) percent of the money being contributed by the City is actually money taken from the police in lieu of a raise for two years and the other three (3) percent came from a negotiated increase into the contribution. He states the City is actually only contributing three (3) percent.

Mr. Borrelli said police officers are allowed to withdraw money they contribute if they retire or leave the City but under the State retirement you can not. Under State retirement nothing is taken out

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of the employees check to fund the retirement system. He stated in 1989, the police officers were putting in one percent (1) of their pay into the pension plan. They also voted to contribute and additional five point six (5.6) percent for no additional benefits in hopes to increase the benefits when they retire. Mr. Borrelli stated many of the officers would like to see the twenty years and out plan go into effect but right now they were only asking for a little help from the City to increase their benefits.

Ralph DeSantos, 210 12th Street, talked briefly. He stated the police put their lives on the line daily and when a police officer is off duty he is really still on duty. He said it was obvious the officer's morale was down and we need to keep it up. He said the City needs to take care of the officers and leave their pension alone.

Anthony Polemeni, retired City of Holly Hill fireman, asked what the City was paying for Florida Retirement System?

Mayor Ryan answered seventeen and a half (17.5) percent.

Mr. Polemeni asked why the City could not contribute the same for the officers. He said that seems only fair.

June Johnson, wife of a police officer, stated she wanted to keep the morale up and she thought a ten thousand dollar (\$10,000) life insurance policy was a little sad.

Gillis Blais, sergeant, said all police departments from around the area call on the City of Holly Hill police department for help. He also stated he feels the City is going backward instead of forward.

Michael Johnson, officer, said he was not sure the Council understood the numbers for the pension plan. He said if the City was under the Florida Retirement Plan the City would be paying twenty seven point sixty two percent into the fund. He reiterated five (5) percent of what the City contributes was given in lieu of salaries. Mr. Johnson stated he did not see why they were arguing because the City has to pay either by increasing the pension or pay more to make the fund actuarially sound.

The one and a half (1.5) percent cost of living should be retroactive since it has been budgeted Mr. Johnson stated. He felt they should not be penalized because they chose to go to arbitration.

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Charles Sharp, officer and resident, stated it is hard enough to make a living in the City without taking money from the employees. He feels the cost of living should be retroactive.

Mayor Ryan asked for comments from Council.

Councilman Byrnes stated in this process PBA brought an offer to the City which the City accepted but the employees rejected. Mr Byrnes ask for this to be explained.

Mayor Ryan said he would like it explained also.

Mr. Johnson explained a proposal was taken to the membership at the City's request and the sticking point is the Lump Sum Merit System. He stated the system is not used in any City and it not only effects their salaries but it effects their pension. He said he did not buy the logic on the accumulative effect of a base rate raise. He said he took the proposal to the employees out of courtesy to the Council.

He stated the reason the contract has been hung so long is the new proposal from the City. He stated that was another point not to penalize the employees by not giving retroactive cost of living.

Mr. Hester said he wanted to clarify they had gone through a long process to come to where they are today.

Mr. Simpson said it did not matter how each side came to arbitration and that Council needed to address the matters before them tonight.

There was a brief discussion about placing the Police under Florida Retirement.

There was a long discussion on the extra hour call out for court time between several officers and the Council.

Mr. Hester said he wanted to make a point which was the center of the whole negotiation process was around lump sum merit. He said the one hour call out was not a significate factor.

Mr. Davenport said each offer made by the City included the lump sum merit which was the main issue. He also said the Long and Associates plan which the officers are currently under does not include a lump sum merit.

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Mr. Hester stated the lump sum merit is his own approach it is not part of Long and Associates or Cody and Associates pay plan. He also stated L.I.U. agreed through the negotiation process and they are receiving lump sum merits.

Mr. Borrelli stated the Long and Associates pay plan was in effect when they went to negotiations and the officers contend they are still under the long pay plan.

5. COUNCIL DISCUSSION

Councilman Gaither stated he would have no objection in giving the officers one and one half percent retroactive but that was all he would agree to. He said he felt the one hour call out was a shadow.

Councilman Byrnes said he wanted to suggest adding life insurance to equal the officers salaries to Councilman Gaither's earlier suggestion and if he would put that in the form of a motion he would second it.

Mayor Ryan said a motion would have to reflect Mr. Simpson to draw up an agreement to settle the impasse.

Mr. Simpson said Council action tonight could result in an agreement if not then their action would become effective by virtue of their legislative action.

There was a brief discussion between the Council.

Councilman Gaither moved to give one and one half percent cost of living retroactive, supplement the life insurance to equal salary, a three hour call out for court, a lump sum merit and no change in pension being seconded by Councilman Byrnes.

Mayor Ryan called for discussion.

Officer Johnson stated the Council was not even discussing the issue that brought about impasse, which was the lump sum merit, and if the Council ignored the recommendation of the Special Master to not include the lump sum merit in the contract then they would cause some serious morale problems and lose some people. He stated Council would see the effects. He also said Florida did not have binding arbitration and the course the police officers was taking was their only recourse.

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Mayor Ryan stated the contract was only for one year and any item could be renegotiated then, including lump sum merit. He said a majority of the employees were receiving lump sum merits. He went on to explain there were ways to increase the base pay.

Officer Currie said he appreciated what the Mayor was saying but if you hit people for pennies now they become thousands of dollars in years to come. The money lost now compounds in the years to come.

There was much discussion on how the merit system worked and how officers would progress through the pay range. The officers concern was how they could progress through the pay scale if the merit did not allow them to progress through the pay scale.

The motion CARRIED 5-0 on roll call.

Mr. Simpson said he would prepare an agreement to be presented to PBA, if it is not signed then the agreement, under Florida Statue, will become the terms of the contract for the remainder of the year.

6. ADJOURNMENT

With no further business to become before Council the meeting was adjourned at 8:10 p.m.

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Mayor

ATTEST:

City Clerk/Manager