



**MINUTES**  
**THE TOWN OF INDIAN RIVER SHORES**  
**6001 North State Road A1A, Indian River Shores, FL 32963**  
**TOWN COUNCIL COLLECTIVE BARGAINING WORKSHOP**

**Thursday, April 26, 2018**

*(Immediately following Regular 9:00 a.m. meeting)*

**PRESENT:** Thomas F. Slater, Mayor  
Michael B. Ochsner, Vice Mayor  
Robert F. Auwaerter, Councilman  
Richard M. Haverland, Councilman  
Deborah H. Peniston, Councilmember

**STAFF PRESENT:** Robert Stabe, Town Manager  
Chester Clem, Town Attorney  
Heather Christmas, Treasurer  
Laura Aldrich, Town Clerk  
Mark Shaw, Capt. Public Safety Department

**OTHERS PRESENT:** RESIDENTS: Nancy Auwaerter, Ocean Colony

**1. Call to Order**

- a. Invocation – Vice Mayor Ochsner
- b. Pledge of Allegiance
- c. Roll Call – Town Clerk

The Mayor called the meeting to order at 11:26. The above were foregone as they were done at the preceding meeting, and the roll call is as reflected above.

**2. Collective Bargaining Process.**

Mayor Slater said this workshop is to better understand salaries and benefits for the Town's public safety officers in preparation for negotiations.

**3. Public Safety Salary Benefit Study (11:27)**

David Evertsen, Principal with Municipal Solutions, LLC was present via live streaming, along with Mark Nipp, recently retired police chief out of Arizona with 35 years of municipal service, and Steven Cleveland, a two time city manager also from Arizona. Both analysts are experts in collective bargaining agreements and data analysis. Mr. Evertsen reviewed their credentials, one with a solid background in police and the other's background in firefighting.

This compensation study considers factors that affect equity versus inequity, such as education, neighboring community's benefits and salaries, workloads, longevity, and experience levels. Mr. Evertsen asked the Council to keep in mind the impact these employees have on the quality of service, the potential for irregularities and what they cost, how to reconcile the irregularities, and the fiscal impact of implementing any recommendations they make. An explanation of the term "irregularity" which was given as two officers in the same classification who have different pay caused by some irregularity, which could be merit pay, favoritism, longevity, or pay scales not in range with the market. They are positions paid unevenly with market consideration, inside or outside the system, Mr. Evertsen concluded.

The most important question in the community for the Council is what does the community value? Relating to fairness in compensation or special circumstances, does the distribution of cost of employment lean towards salary or benefits, and how does this compare to other municipalities. It requires evaluating values, how longevity rates compared to employee efficiency, and what is the financial sustainability of the choice. The proportion of salaries to benefits is very important to consider.

He said they should consider what employees value versus what the community values: more pay or better retirement, better benefits or more time off. Is employee longevity or employee efficiency more important, and are the employees compensated for these? The answer varies from municipality to municipality when the employees are asked if they want more money or a better retirement.

The Town is currently paying 100% for employee medical insurance and 65% for employee dependent medical expense, consider the cost if this were to change.

*Please Note: The Town of Indian River Shores does not routinely keep verbatim minutes. Any party interested in such an appeal relating to any decision made by the Council with respect to any matter considered at this meeting is responsible to record the meeting and include the testimony and evidence upon which the appeal is to be based.*

Mr. Evertsen reviewed the progress in meeting the objectives, which ranged from 50-100% complete. He explained their methodology regarding the job descriptions, which are linked to an internal classification system that is then linked to market-based data. The job descriptions are good, but they could be tweaked a little bit. Since the Town has no classification system we are lacking hierarchical relationships (27 steps have no pay grades, no separation; it is arbitrary). The Compensable Factors Analysis allows the knowledge, skills, abilities, and level of education of any position in the Town and creates bands used to establish a pay classification system and a pay range. It helps define why a sergeant is paid higher than a supervisor.

Statistics were shown for the national triple-certified public safety agencies, of which 140 (all are not fully consolidated) in Michigan, Florida, California, Ohio, New Hampshire and Texas, and only a few responded. Twenty-five or thirty would have been a better base for analysis. Most of the statistics returned show positions with specific pay, not pay ranges, especially in the upper levels. Most of the officer positions have ranges. The Town's step system has a range of \$39,000-\$68,000, while the market is \$46,000-\$69,000. He was happy with the range. Councilman Auwaerter asked if he would provide a range with 5-10 year's of experience. Mr. Evertsen said the pay range is what the job is worth, and anywhere within the range is fine. If the job requires a bachelor's degree and the employee has a master's degree, he should be compensated for that.

Municipal Solutions considered regional factors using five municipalities (Vero Beach, Fort Pierce, Port St. Lucie, Palm Bay, Melbourne) and counties (St. Lucie, Martin, Indian River, Palm Beach) to compare pay. He showed the spreadsheets with all of the data for benefits and salaries. The results showed only four have a COLA (not the majority), there is no merit increase in Indian River Shores and several local agencies do have them linked to performance measures. With 27 steps and no grades, the Town is missing the delineation between where one begins and ends. The Town's officer-level positions are comparable to local salary levels, but the management positions are low compared with the County. They are comparable to municipal salary levels.

The benefits problems identified are: 1) no carryover vacation or sick leave or pay for unused leave, which is good if it is important to the Council to not have financial liability; 2) the Town's health insurance benefits are very generous compared to others; 3) the Life Insurance is among the lowest of comparable cities, with the average normally in the \$50,000-\$200,000 range per employee. They **recommend** considering adding the **life insurance to \$50,000** and adding a long-term disability. 4) The short-term disability benefit is generous at one year.

A significant issue is the DROP/PLOP which is generally implemented to retain upper management staff. Mr. Evertsen asked for more background on this before recommending terminating the option.

A councilman asked for a relative cost of living factor, as much of the data was for other states. Also the description of how they are using the term "COLA" was explained that one city had data linking it to the Consumer Price Index, while others may not. Mr. Evertsen agreed to provide the information requested.

Florida is complex with the retirement system using total remuneration, not gross salary, in determining pension as other states use, which is an incredible burden on municipalities. This includes up to 300 hours/year of overtime and other compensation (15% is added for triple certification, plus 10% more for becoming a sergeant, plus \$7,500 for becoming a paramedic) rolled into the calculation for the Town's officer's base salary. They **recommend** that the Town seek legal opinion on what total remuneration means and how other Florida local governments are interpreting and applying this.

Continuing, Mr. Evertsen said they looked at the ratio of total population to number of public safety employees, and calculate cost of salaries and benefits. It's all over the place, he said, and not useful in this study. He said he would like to see a side by side comparison of the Town's Public Safety pension plan to the Florida State Retirement System. He has not yet calculated numbers yet.

He has call volume data but has not yet reviewed it. He said they may want to consider eliminating the Town's dependent contributions for medical, unless it's something they value. If so, don't change it.

A councilman said they were relying on him to provide comparable benefit data to quantify the Council's intention of having our employee's more or less at top end of the scale in order to attract the best with a total compensation system. The aggregate comparison may show that we don't have the highest salaries or the best benefits, but overall the Town should rank near the top. Mr. Evertsen said they have the data, and the Town overall has a very, very competitive system, among the best the consultants have seen in public safety for a city our size. Mr. Evertsen used the term "overwhelmingly generous."

The Mayor said they need to have the material in their hands to read, study and think about. Personal decisions need to be made where we need to be more or less generous. When they see it on paper, it will make more sense.

*12:07 Debbi Peniston left.*

The data sheets have been sent to Finance Committee. Although Mr. Evertsen preferred not to have the data manipulated, one Councilman was emphatic that he wants all of the information in spreadsheets, promising to keep a clean copy but may want to do a different cut of the data than he has considered. The classification system was discussed as normally a long process that Mr. Evertsen said is almost finished, and will present it to them soon.

Mayor Slater said the Council is smart and well-informed, and will delve into the data. Councilman Auwaerter said we need a legal opinion of total renumeration, which Mr. Stabe asked if they want to know how it applies to pension plan. He said it is clearly defined in the police-fire plan, and is not superseded by a State of Florida definition.

Mr. Stabe added that at the last negotiation session three years ago the bargaining unit negotiated for the DROP/PLOP that the Council had implemented. Mr. Evertsen said it is good to review the policies and see if it still is applicable.

The Mayor thanked Mr. Evertsen for the information.

10. **Call to Audience** (No comment)

11. **Adjournment.** The Mayor adjourned the meeting at 12:19 p.m.

Respectfully submitted,

/s \_\_\_\_\_  
Laura Aldrich, Town Clerk

*(Approved by the Town Council at the May 17, 2018 meeting)*