

INDIAN SHORES

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ADMINISTRATIVE AND FINANCE COMMITTEE MEETING MINUTES TUESDAY, JULY 11, 2023, BEGAN AT 4:03 P.M. INDIAN SHORES MUNICIPAL CENTER, 4TH FLOOR

The Town Council Meeting convened at 4:03 P.M.

Those present: Mayor Patrick C. Soranno, Administrative and Finance Committee Citizen Member John Caruso and Alternate Citizen Member Tom King, and Associate Attorney Daniel Lewis.

Also present: Town Administrator Bonnie Dhonau, Finance and Personnel Director Susan Scrogam, Town Clerk Freddie Lozano, Police Major Glen Smith.

Those absent: Police Chief Rick Swann and Town Attorney Kardash

ITEM # AGENDA ITEM

1.0 Consideration of approving the Administrative and Finance Committee meeting agenda for July 11, 2023.

Motion by Mr. Caruso – seconded by **Mr. King** to approve the Administrative and Finance Committee meeting agenda July 11, 2023. **All ayes. Motion carried 3-0.**

2.0 Comments from the public on any agenda item. None.

3.0 Consideration of approving the "CONSENT AGENDA" as follows:

A. MINUTES:

1. Administrative and Finance Committee, July 26, 2022.

Patrick C. Soranno
Mayor

Diantha Schear
Vice Mayor

Ellen A. Bauer
Councilor

Michael (Mike) Petruccelli
Councilor

William F. (Bill) Smith
Councilor

Bonnie Dhonau
Town Administrator

Richard (Rick) Swann
Chief of Police

Susan L. Scrogam
Director of Finance
and Personnel

Freddie G. Lozano
Town Clerk

Regina Kardash, Esq.
Town Attorney

Motion by Mr. Caruso – seconded by **Mr. King** to approve the Administrative and Finance Committee meeting minutes of agenda July 26, 2022. **All ayes. Motion carried 3-0.**

4.0 Recommendation for Council consideration of proposed 7.1% cost-of-living adjustment (COLA) based upon current Consumer Price Index (CPI-W) ending December 31, 2022, in preparation for the FY 2023/2024 budget.

The **Finance Director** provided a brief background from the previous year referring to the Administrative and Finance Committee meeting minutes of July 26, 2023, when a motion was made to recommend a 7% COLA and another recommendation for a higher COLA if inflation rates continued to rise. Both recommendations were ultimately approved by the Town Council. The CPI news release from December 31, 2021, reported a 7.8% COLA, which exceeded the staff's request of 7% in 2022. The remaining .8% was never pursued. The CPI rate for December 2022 was 6.3%. The current proposed COLA of 7.1% is the result of the .8% from 2022 being added to last year's 6.3%. She added that to bring salaries to the local labor market salary midpoint, a significant budget amendment of \$119,000 was made due to the substantial discrepancy in salaries discovered during the 2022 salary study. Despite the Town's previous adherence to the CPI and inclusion of a 3% merit increase, the employees' salaries remained below the local labor market average in Pinellas County. She expressed concern that solely relying on the CPI without considering annual or merit increases could result in a recurring situation where future salary adjustments would require substantial budget amendments.

Mayor Soranno mentioned that last year's salary study successfully raised the Town staff's salaries to match the average labor market salary midpoint. Doing so have avoided any staffing turnover, which at times indicates salary-related problems. He recognized that comparing salary plans to those of other towns, as well as factors besides the current CPI, such as inflation rates, are crucial for staying competitive. He felt it was important to assess what percentage other cities are proposing to make an informed decision based on that information rather than relying solely on the CPI. He felt that the proposed 7.1% was a bit high and recommended a percentage between 4-6%.

Mr. Caruso reviewed the neighboring communities' proposed increases and felt that the neighboring town of Redington Shores is the closest competitor and they are requesting a slight increase of 7.1%, However, he mentioned that if there is no employee turnover, or if the turnover

rate is very low and taking the police negotiations into account, then it was advisable to consider the 7.1% as the maximum limit and allowing for a slight decrease to maintain competitiveness while ensuring decent wages for employees. Based on his analysis of the area's increases, a minimum of 5% would be a suitable option, placing it in the middle range, as anything lower would not be appropriate.

The **Town Administrator** noted that during the economic downturn, the CPI was consistently higher than the Town's figures, ranging from 3.4% in 2010 to 3.2% in 2012. Additionally, it was found that governments generally rely on the CPI as their preferred methodology when determining the COLA. The Finance Director's concerns regarding the budget amendment's impact on salaries raised doubts about whether the Town should deviate from the established plan. Given the historical trend of consistently lagging the CPI by as much as 3.4%, the Town Administrator is leaving the decision of the recommended COLA to the Council, considering other relevant factors such as rising insurance premiums and the escalating costs of waste management services.

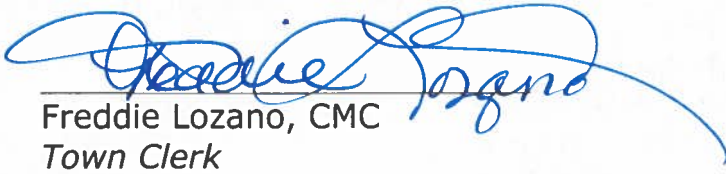
Mr. King was initially surprised at the proposed 7.1%. Nevertheless, he held the belief it was important to prioritize the well-being of employees. He stated feeling a sense of pride for the staff that have chosen to work for the Town and that the staff's impeccable reputation is a testament to their dedication towards the community. He does not want to run the risk of losing staff due to inadequate compensation. While salaries are not the sole factor that determines job satisfaction, he raised a concern about how the 7.1% was calculated and how the proposed percentage may be perceived by the community. Despite his inclination towards supporting the proposed 7.1%, he is open to exploring factors beyond the cost of living and to consider recommending a percentage range to the Council to deliberate on to make a final decision.

Motion by Mr. King – seconded by **Mr. Caruso** to recommend a COLA range of 5%-7.1% to the Council for consideration. **All ayes. Motion carried 3-0.**

5.0 Citizens' comments on any subject. None.

6.0 Committee Members' comments on any subject. None

7.0 Meeting adjournment. 4:30 P.M.



Freddie Lozano, CMC
Town Clerk