

City of Coral Gables City Commission Meeting

Agenda Item F-1

March 24, 2009

City Commission Chambers

405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Donald D. Slesnick, II

Vice Mayor William H. Kerdyk, Jr.

Commissioner Maria Anderson

Commissioner Rafael “Ralph” Cabrera, Jr.

Commissioner Wayne “Chip” Withers

City Staff

Interim City Manager, Maria Alberro Jimenez

City Attorney, Elizabeth Hernandez

City Clerk, Walter J. Foeman

City Clerk Staff, Billy Urquia

Public Speaker(s)

F-1 [Start: 12:06:28 p.m.]

A Resolution of the City of Coral Gables appointing Patrick G. Salerno as City Manager and further approving a salary and benefit package. Mayor Donald D. Slesnick, II

Mayor Slesnick: The Commission asked me to meet with Mr. Salerno and try to come to a full arrangement and agreement as to the terms of his employment, and as you can see it's being presented as a resolution for us to consider adopting. The details for those watching are that Mr. Salerno would start at a salary of one hundred and ninety thousand dollars (\$190,000) a year; rather than join the City Pension Plan, which would be a forty percent (40%) add on cost to us approximately. We have agreed that he would accept a fifteen percent of salary to a qualified pension plan of his choosing, but no additional tax consequences to the City. That he is employed at the will of the Commission, that is reaffirmed in this resolution; but that he would have a severance compensation equal to seventy-five percent of one year salary, if he is released by the Commission during the first five years without just cause, obviously with just cause there would be no severance, but without just cause seventy-five percent, that was modeled after the resolution when Liz was hired, and brought to the City; that we would provide a City owned vehicle, and that it would be of course taken care of with gasoline, insurance and maintenance; that he would be given a personal communication device; that he is provided a five hundred dollars (\$500) a month general expense allowance, that would be added to his compensation package as is done with the City Commission; that Mr. Salerno would participate in the dental and health plans for himself and his family and the City paying the cost the cost of those; that he would start with a hundred and twenty (120) hours of annual leave in the first year, rather than the ninety-three (93) hours of leave that people normally start at, but a hundred and twenty (120) hours; that he'd receive a physical examination paid for by the City on an annual basis, that's what we do for the City Attorney, and by the way, I don't know, I didn't look at it, but if the City

Clerk should probably be extended that benefit at some point in time, for the benefit of us and the City Clerk. The City shall pay professional membership fees...

Commissioner Cabrera: Excuse me, excuse me, the City Clerk has that.

Mayor Slesnick: Oh, does he.

Commissioner Cabrera: Oh, wait, wait, I have a copy of the City Clerk's in front of me.

Mayor Slesnick: OK, and I don't and I didn't remember if it did or not.

Commissioner Cabrera: Yes, he has that under number four, that he shall receive an annual physical examination to be paid for by the City.

Mayor Slesnick: Mr. Salerno shall be given health...uh...life insurance, a long term disability plan, both of these are the same as other public officials and the last City Manager; and that any other programs and benefits that are provided to our senior management team, management employees, public officials, officials of the City, will in fact, unless they are in conflict here with or, that they are also otherwise provided for here, that they will be part of his employment package. I hereby present this to you; you asked that I go forward, I found Mr. Salerno a very good person to work with; we had direct conversations; we had good conversations; this is not all that Mr. Salerno probably would have wanted; this is not maybe everything we wanted, although I think by the way, it's a very good package, and its very beneficial to the City. So I offer it to you.

Commissioner Cabrera: Let me go ahead and get started then. I took the liberty to try to quantify your package, so I came up with the following annual expense: salary of one hundred and ninety thousand (\$190,000); the Pension Plan you discussed, which is fifteen percent (15%) of his total salary, which then be twenty-eight thousand (\$28,500); the car allowance would be a cost of, I gestimated twelve thousand dollars (\$12,000) a year, not having a quantifiable benchmark, I figured a thousand dollars (\$1,000) a month; cell phone I figured about a hundred dollars (\$100) a month, so that's twelve hundred dollars (\$1,200) a year; the expense allowance equals to six thousand dollars (\$6,000) a year; the health and dental, I don't know what the family premium is on the health plan, and I'd like to get a little more specific because according to the resolution it just says for health insurance; there are two types of health insurances that we offer our City employees, one is a Health Maintenance Organization, and the other one is a Point of Service Plan; and under both plans, excuse me, under the HMO we pay a hundred percent of the single cost, no we pay less than a hundred percent of the single cost, we made some changes to that, is that correct?

Interim City Manager Jimenez: My understanding is we pay for employee's health insurance.

Commissioner Cabrera: A hundred percent of the single cost?

Interim City Manager Jimenez: Yes.

Commissioner Cabrera: I would feel more comfortable in doing it the same way for Mr. Salerno, a hundred percent of the single cost, its certainly up to you all; but going back to the cost itself, I calculated that the health and dental premium would be somewhere around the neighborhood of eighteen thousand (\$18,000) a year; the physical, I gestimated that it cost around three thousand dollars (\$3,000); I don't know what professional fees cost, it's a budgeted item under the former City Manager's Budget, so I don't know what professional fees are, I didn't calculate those; life insurance is less than five hundred dollars (\$500) a year; disability insurance – would it be group disability or individual disability insurance?- individual?- well if its individual, it will come in around seventy-two hundred dollars (\$7,200) or thereabouts. So we are looking at a package of about two hundred and sixty-six thousand dollars (\$266,000), not knowing what professional fees are, and I wanted us all to have a quantifiable number to go by, because when I calculate packages for senior members of management that reported to me I always quantified my calculations to be able determine what the bottom line expenses was going to be. I also would like to ask that under section number 8, that Mr. Salerno shall be provided a \$500 per month general expense allowance, I would like it to also include a report would be required to be completed by Mr. Salerno and available for review by the City Commission at any point in time. I'd like to learn from my past mistakes, I don't know about the rest of you.

Mayor Slesnick: This is like, I said the Commission, we all are added on an expense amount that we can spend and we don't report it.

Commissioner Cabrera: We are elected.

Mayor Slesnick: I understand that.

Commissioner Cabrera: That's my wish...

Mayor Slesnick: OK.

Commissioner Cabrera:...That's my wish.

Mayor Slesnick: OK. I appreciate it, and you have a right to have a position; he said, and I think this is a great thing, he says he doesn't care to use or want to use a "P" Card, he doesn't want to have that type of situation, and he would like to be able as a Manager and CEO or the organization I actually thought that was a rather modest amount to do that.

Commissioner Cabrera: I'd like to still reserve the right to be able to, not knowing that, not having the advantage of being able to have been part of that negotiation, this is all now news to me, so.

Mayor Slesnick: Well, let me, let me...well let me say this; I think that I'm looking at the package, Ralph, and I thought it was a very solid package, in fact if you add our Assistant City Managers or our City Attorney and add all their benefits and so forth, they were probably compensated above this amount, when you add forty percent for the pension.

Commissioner Cabrera: They also didn't work some place else for eighteen years....

Mayor Slesnick: No, listen I hope that they get everything that's deserving, that's not the point of my comment; the point is that I think that in comparison the total amount that you calculated, two hundred and sixty thousand, including wages, and pension, and all the things is a very modest amount compared to other managers in this area, and compared to the people with whom he'll be working.

Commissioner Cabrera: Well see, I left out one variable and that is, and I didn't even want to bring this variable up because I know that I would fall flat on my face with you all, but I'll say it anyway; the reality is that he has the advantage of having a retirement package from another municipality that I'm sure, I don't know what that package is, and I'm not suggesting that we hire someone for a dollar a year, I don't think that would be appropriate either, but I'm sure that he benefits greatly from his former package.

Mayor Slesnick: I would assume he does, I would assume he does; but I just think we should take into calculation that judging what a person's value and worth is to us.

Commissioner Cabrera: Well I can, and I do...

Mayor Slesnick: Well I respect your ability to do that.

Commissioner Cabrera: That's the reason why I say I would never do it in such a way as to hire someone say for a dollar a year, just because they are making a hundred and fifty thousand dollars in their retirement program, and they have health and life, and dental, and vision elsewhere, I don't think that's right either. That individual earned that retirement income, but I would also use that as a way to leverage, but as I said before I don't think that my argument is going to carry the day, so at least I got it off my chest.

Commissioner Withers: Hey Don, the five hundred dollar a month general expense allowance, is that above and beyond the normal entertainment expenses, I think that's low. If you take Bacardi out to dinner one night for an economic development event, you think that covers the cost of six or seven or eight people out to dinner?

Mayor Slesnick: What I did was I pegged it what we were doing and what I got, so...

Commissioner Withers: We each get four hundred (\$400) and we don't report it.

Mayor Slesnick: I understand its low, but it was the amount we agreed on though; and I appreciate what you are saying, but I would think there are other ways to handle a situation like you said. If it really was an economic development item, and that it was something that he was doing on behalf of the City for Economic Development, it probably should come through the Economic Development Budget as a Budgeted item, I mean they have that kind of....listen, I'm not hung up with \$500, I could go to a \$1,000; listen, I have to tell you, when I vote for this I am putting my faith and confidence; I have been abused before by putting faith and confidence sometimes in people, but I can tell you that I won't vote for it unless I have faith and confidence that the person that we are hiring is going to do the right thing for the right reasons, for the

people of this City; and if I didn't believe that I wouldn't vote for it, and if I do believe that, then I'm going to believe that the monies are going to be used properly, whatever the amount is, and then is going to be used sincerely and properly, and benefit the City in the end. So, Chip, I'm not disagreeing with you, but I think there are other ways to get to some of the issues you brought up and still allow this for the Manager to be able to lead a CEO's life by doing the things that are required of a CEO.

Vice Mayor Kerdyk: Just putting it in perspective for me, I understand it's really not fair to compare to the former City Manager, but I would like some comparison to a certain degree. The former City Manager of all of these items that are proffered here received everything...

Mayor Slesnick: Except for the five hundred dollars because he had a "P" Card.

Vice Mayor Kerdyk: So basically, the former City Manager's annual salary was...?

Interim City Manager Jimenez: I believe it was one eighty-nine (\$189,000).

Vice Mayor Kerdyk: Alright, so basically the salaries were the same, one-ninety – one-eighty-nine?

Mayor Slesnick: Don has it.

Interim City Manager Jimenez: I stand corrected, its one eighty-five-seven.

Vice Mayor Kerdyk: One eighty-five.

Commissioner Cabrera: Another difference OK, can I give you what that is?

Vice Mayor Kerdyk: Yeah, I want to hear it.

Commissioner Cabrera: He also received the twelve national holidays that was included in his resolution, as was that he received the full premium, the, single, for health and dental insurance.

Mayor Slesnick: I know that's what it says, but I think he was paid for both families.

Commissioner Cabrera: This is what Resolution No. 30308.

Mayor Slesnick: The old premium I think was interpreted, I don't know, but I don't know.

Commissioner Cabrera: I just said that he, and I circled the word he, I didn't see he and his dependents or he and his family. So those are the two major differences between the two.

Mayor Slesnick: The reason that the holidays are not included is because they are captured...I tried to clean up some of these things; for instance we used to say that you'd be given a car which has a cell phone installed, with a cell phone, we don't do that anymore, that was old language, the holidays are included in number fifteen.

Vice Mayor Kerdyk: So essentially, if I was just to give it a number here, we are talking a hundred and ninety thousand (\$190,000) what Commissioner Cabrera said, and then the benefits of fifteen percent (15%), would be twenty-eight-five (\$28,500), and then we go through the other additional benefits here, and you came up to two...

Commissioner Cabrera: I came up to two sixty-six-three-fifty (\$266,350) without professional fees, and that's why Ms. Adler looked at me when I was talking about disability; and I calculated disability based upon a person his age and that's where I come up with an average.

Vice Mayor Kerdyk: So the difference, the main difference would be the fifteen percent opposed to the forty-three point one percent in the retirement system, is essentially the difference, which is the forty-three point one percent is eighty thousand dollars (\$80,000), and the fifteen percent is twenty-eight-five (\$28,500), its basically a fifty thousand dollar difference between the two packages, is that correct?

Mayor Slesnick: That's correct.

Commissioner Withers: Fifty thousand dollars which way?

Mayor Slesnick: To the benefit of the City.

Vice Mayor Kerdyk: To the benefit of the City.

Mayor Slesnick: And I must say that one of the reasons I felt good about doing something like that was for the reason Ralph mentioned, that this gentleman has already been on one full retirement system, and I thought it was unfair to expect that he would work here without achieving something for his future life that he is investing, but on the same hand I did not feel badly about negotiating a deal which was beneficial to the City because he had already served one life in one City for retirement.

Vice Mayor Kerdyk: And I think the big thing by resolution too three votes and he's no longer City Manager.

Commissioner Withers: I will move this, Mr. Mayor, as stated.

Commissioner Cabrera: Without any of my recommendations?

Commissioner Withers: No, I'm not going to accept your recommendations.

Commissioner Cabrera: OK.

Mayor Slesnick: I have a motion by Mr. Withers to move the resolution, is there a second?

Vice Mayor Kerdyk: I'll second it.

Mayor Slesnick: Mr. Kerdyk seconds it.

Commissioner Cabrera: Before we vote, can I just ask one last question?

Mayor Slesnick: Certainly.

Commissioner Cabrera: April 6th is the start date?

Mayor Slesnick: Yes.

Commissioner Cabrera: That's eight days before the election, OK.

Mayor Slesnick: We have a motion and a second, is there any other comments or questions?

Mr. Clerk

Commissioner Withers: Yes

Commissioner Anderson: Yes

Commissioner Cabrera: No

Vice Mayor Kerdyk: Yes

Mayor Slesnick: Yes

(Vote: 4-1)

Commissioner Withers: Don, I don't know if it's in order now or if you were planning this, but I would suggest that the Commission prepare some type of grateful resolution to the incredible work that Maria has done.

Mayor Slesnick: Yes. I would like to do something like that, and Maria, we've said it before and we'll say it again, you've done an outstanding job as Interim and you've acted in such a way that you wouldn't even know that you are Interim, and that's what we asked you to do, and you lead us through a transitional time that could have been totally disruptive and you've been under as we've been under external pressures from media sources, and I think you've acted as a professional the entire time, and we appreciate that very much.

Interim City Manager Jimenez: Thank you Mr. Mayor, thank you for the comments and the opportunity, it's been great for me and I appreciate.

Mayor Slesnick: And I look forward as Mr. Withers said that we'll have some kind of recognition for your service.

[End: 12:23:47 p.m.]