



City of Margate

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Meeting Minutes

Special City Commission Meeting

Mayor Tommy Ruzzano
Vice Mayor Joyce W. Bryan
Commissioners:

Lesa Peerman, Joanne Simone, Frank B. Talerico

City Manager Douglas E. Smith
City Attorney Eugene M. Steinfeld
City Clerk Joseph J. Kavanagh

Wednesday, March 30, 2016

6:00 PM

Commission Chambers

CALL TO ORDER

Present: 5 - Commissioner Joanne Simone, Commissioner Lesa Peerman, Commissioner Frank B. Talerico, Vice Mayor Joyce W. Bryan and Mayor Tommy Ruzzano

In Attendance:

City Manager Douglas E. Smith
City Attorney Eugene M. Steinfeld
City Clerk Joseph J. Kavanagh

1) RESOLUTION(S)

- A. ID 2016-186 APPROVING AN EMPLOYMENT AGREEMENT WITH DOUGLAS R. GONZALES AS CITY ATTORNEY OF THE CITY OF MARGATE; PROVIDING FOR APPOINTMENT AS CITY PROSECUTOR.**

MAYOR RUZZANO noted that Mr. Gonzales was not present due to severe weather.

The meeting was called to order and a brief recess followed to wait for Mr. Gonzales. The meeting reconvened upon his arrival.

CITY ATTORNEY EUGENE STEINFELD read the resolution and explained that the salary was blank and would be inserted by the Commission.

MAYOR RUZZANO said that the review of candidates was narrowed down to Mr. Gonzales.

CITY ATTORNEY STEINFELD stated that he and the City Manager recommended a salary of \$175,000; however, the decision was up to the Commission.

A motion was made by Commissioner Bryan, seconded by Commissioner Talerico, that Douglas R. Gonzales be retained as the new City Attorney at a salary of \$175,000.

CITY ATTORNEY STEINFELD clarified that the motion was for the contract with the insertion of \$175,000.

COMMISSIONER SIMONE apologized to Mr. Gonzales ahead of time for what she was about to discuss. She explained that she had the utmost respect for Mr. Gonzales, thought he would do a wonderful job and said that he was one of her top candidates. She stated that she scrutinized her own money, as well as the taxpayer money; therefore, she felt that the terms of the contract and the salary should have been discussed in a Workshop instead of with Mr. Gonzales present. She said that at prior discussions a range of \$165,000 to \$175,000 was discussed and she thought the Commission agreed with \$165,000 plus bonuses. She asked for a detailed description of how the salary went from \$165,000 to \$175,000. She asked whether there were any negotiations with Mr. Gonzales and if he did not accept the contract with the \$165,000.

CITY MANAGER DOUGLAS E. SMITH explained that City Attorney Steinfeld provided him with feedback of a discussion he had with Mr. Gonzales regarding a salary above \$165,000. He stated that the Human Resource Director also had feedback from Mr. Gonzales expressing his desire to be at the higher end of the range. He noted that he and City Attorney Steinfeld recently had a discussion with Mr. Gonzales and that he and City Attorney Steinfeld were recommending the salary of \$175,000. He clarified that he was not involved with discussing salary back and forth to work up to \$175,000.

COMMISSIONER SIMONE asked whether the \$175,000 was suggested by Mr. Gonzales.

CITY MANAGER SMITH said that what was shared from the Human Resource Director was that Mr. Gonzales would like to be at the higher end of the range. He stated that the City Attorney made his recommendation. He noted that there was additional information that could be reviewed with regard to what other City Attorneys were getting paid in the area, but both he and the City Attorney were recommending the \$175,000.

COMMISSIONER SIMONE stated that Coconut Creek had the \$175,000 salary; however, she did not feel that Margate compared to Coconut Creek. She said that Coconut Creek had a much larger tax base and a larger population. She explained that the contract offered a car, cellphone and two mobile computing devices with data service, as well as an additional 7 percent annually based on annual salary to a mutually agreed deferred Compensation Plan in addition to the Pension Plan. She asked what the perceived value of the contract was with all the perks included.

MAYOR RUZZANO said that the insurance was approximately \$15,000, the car allowance was approximately \$5,000 and the cell phone was \$80 per month, which was another \$1,000. He agreed with Commissioner Simone that the salary decision went rapidly.

COMMISSIONER PEERMAN clarified that the car allowance was \$400 a month.

MAYOR RUZZANO clarified that it would be an American made car up to the City Attorney's standards.

CITY ATTORNEY STEINFELD agreed that Margate could not be compared to Coconut Creek except for population. He said that Margate provided Coconut Creek with Fire Service because they had no Fire Department. He noted that Margate had support Staff for the City Attorney; however, Coconut Creek had Paralegals, an Assistant City Attorney and an outside Assistant City Attorney. He stated that Coconut Creek did not have a CRA, but Margate did. He said that including his salary last year, which was in excess of Mr. Gonzales' salary, the City Attorney's Budget was approximately \$220,000 less than Coconut Creek. He said that Margate was so much smaller than Coconut Creek and the

City Attorney had to do so much more with so much less. He explained that at the Workshop, the Commission said they wanted Mr. Gonzales' contract to mirror the City Manager's contract, which was done. He noted that the same perks were provided.

CITY MANAGER SMITH noted that there was a little difference on the Life Insurance Policy, because Human Resources determined it was cheaper to have a little higher coverage.

CITY ATTORNEY STEINFELD said that the direction given by the Commission was to bring back a contract essentially the same as the City Manager's.

COMMISSIONER SIMONE noted that the City Manager was hired at \$165,000, and he did not have 10 days of vacation with 6 days of sick leave.

CITY MANAGER SMITH explained that he was already employed previously as the Assistant City Manager; however, this would allow Mr. Gonzales to have some time when he started versus having to wait until October for leave time.

COMMISSIONER SIMONE mentioned Coconut Creek having more Staff, but Margate previously talked about having another Executive Secretary and possibly an Assistant City Attorney. She noted that City Manager Smith was hired at \$165,000, and within 8 months, part of his job as CRA Director was eliminated due to the hiring of another CRA Director. She did not want to hire Mr. Gonzales at \$175,000 and then hire two additional positions. She also questioned whether it would be a straight salary or if there would be a City pay scale with grades and steps and if so, what grade and step would the position start at.

CITY MANAGER SMITH replied that the current City Attorney was not in a pay scale.

COMMISSIONER PEERMAN mentioned having a contract for the City Clerk.

COMMISSIONER SIMONE said that the contract stated that all leave accumulated shall be subject to the accrual cap limit applicable to a City Department Heads. She read that all accumulated leave hours that exceed the cap on September 30th of each year, shall be paid to the employee in a single lump sum payment based on the employees then current base hourly rate of pay. She questioned what the monetary amount was.

CITY MANAGER SMITH said that there was language in his contract that also provided for the leave hours on September 30th paid in a single lump sum. He noted that there was not a cap for sick leave, and that it referred to vacation leave and any other caps that applied on personal leave, etc. He stated that it would take a number of years to reach the cap for vacation leave, which would probably be 660 hours for a Department Head. He said that the dollar impact would depend on the person's salary and how much time was used or unused over a period of time at the time they had time over the cap.

COMMISSIONER SIMONE said that she calculated 200 hours vacation time, and that if Mr. Gonzales did not take any vacation leave, he could probably receive the 680 hours in about 1.5 years, which would be about \$23,000.

CITY ATTORNEY STEINFELD reiterated that he and the City Manager were asked to pattern the contract after the City Manager's original contract.

CITY MANAGER SMITH said that he calculated the 200 hours to be approximately \$16,800 in value at the salary level.

COMMISSIONER PEERMAN said that she appreciated what Commissioner Simone's concerns; however, she noted that at the Workshop a Commissioner already wanted to start the salary at \$168,000. She stated that the increase was \$10,000 and there was nothing in the contract saying that he had to have a raise. She noted that prior Commissions did not give raises to the City Managers.

CITY MANAGER SMITH said that raises were not given with the exception of the Cost of Living Adjustment (COLA) that applied to other Department Heads.

CITY ATTORNEY STEINFELD clarified that was the amount Mr. Gonzales was making.

MAYOR RUZZANO noted that at the Workshop, it was stated that he would work for \$160,000 to \$165,000, according to the Consultant Renee Narloch. He said that during the discussion, the Commission was at \$165,000, \$168,000, \$169,000, with the last number brought up by Ms. Narloch was \$175,000, and then the meeting closed. He understood and respected Commissioner Simone's point.

COMMISSIONER TALERICO stated that all went through the process with over 60 applicants, some of which were liked for their credentials; however, they would not work for less than \$200,000 a year. He noted that Mr. Gonzales was a highly respected, well trained, seasoned, veteran Attorney. He stated that he wanted the best attorney Margate could get for the money, and a few thousand dollars was not going to make that much difference with the Budget. He said that the City was hiring a professional with very good qualifications. He stated that appreciated Mr. Gonzales' work ethic, and added that Mr. Gonzales had a passion to work for the City. He said that he wanted Mr. Gonzales to work for the City and he agreed with paying him \$175,000.

VICE MAYOR BRYAN noted that several other attorneys told the Commission they made a wise choice, which showed that he was highly respected by his peers for his character. She said that she previously said \$168,000 because she wanted to be mindful of the taxpayer dollars; however, because of his credentials and the valuable person Mr. Gonzales was, she was happy to agree to the \$175,000.

MAYOR RUZZANO stated that Mr. Gonzales had a great resumé; however, he agreed with Commissioner Simone and wanted to see if Mr. Gonzales would agree to work for the \$165,000.

CITY ATTORNEY STEINFELD said that Mr. Gonzales was being put in a spot, and that posing the question as the Mayor did was unfair.

MAYOR RUZZANO said that the salary was not voted on yet, and he asked when it would be appropriate to ask him about the salary.

VICE MAYOR BRYAN said that as a professional, she did not want to put Mr. Gonzales in that position.

MAYOR RUZZANO said that he was just asking for Mr. Gonzales to speak.

CITY ATTORNEY STEINFELD apologized and said that Mr. Gonzales could be asked to speak.

DOUGLAS R. GONZALES thanked the Commission and apologized for being late due to the severe weather. He felt that it was an odd way to start a relationship when talking

about salary; however, he said that the City was receiving a 26 year lawyer who could not wait to start working with the City. He stated that he would incur expenses that he had not incurred in the past 17 to 21 years. He noted that he was recently divorced and would be paying for after school care for his twins. He stated that he was making a salary of \$200,000 for the last 10 years, so he would be accepting a total package that would fairly compensate him for the position with \$175,000 as the salary. He noted that the salary was actually on the low range compared to other Cities, which was not a problem because he wanted to be here in Margate. He stated that most attorneys were receiving about \$500 a month car allowance, but the City Manager had a \$400 car allowance. He added that the City Attorney contracts throughout Broward County were very similar to what the City Manager had, but the amounts varied. He said that through the negotiating team, he requested the indulgence of seeking the top end of the range, which would get him as close as possible to his prior salary. He stated that regardless, he would show up for work and work hard for the City every day, and he appreciated the opportunity.

COMMISSIONER SIMONE apologized again and understood this was uncomfortable for everyone, but she felt that the process to arrive at tonight's meeting was disorganized. She reiterated that she had no problem with Mr. Gonzales' character, expertise and knowledge. She felt he would do a good job for the City; however, she was looking out for the taxpayer's money.

MR. GONZALES stated that this would be a good investment for both Commissioner Simone and the taxpayers.

COMMISSIONER SIMONE said that she still wanted to stay at the low end of the range and look at his performance. She stated that according to the contract, his salary could be raised after. She felt that a lot of her questions were not answered regarding what the total value of the contract was with the perks.

CITY MANAGER SMITH said that a quick calculation of salary, health insurance, car allowance and deferred compensation showed an approximate total value of \$208,000 plus vacation time. He noted that he calculated approximately \$16,800 for 200 hours of vacation time and an additional couple of thousand dollars a year for the cost of computing devices.

COMMISSIONER SIMONE reiterated her concerns about adding additional personnel, such as another Assistant or an Executive Secretary, with additional salaries.

CITY MANAGER SMITH agreed that would be added on to the Department Budget.

CITY ATTORNEY STEINFELD clarified that the recommended salary was similar to the same other benefits that the City Attorney of Coral Springs, Boca Raton, Hollywood, Davie, Coconut Creek and Sunrise got, and all received a higher salary than Mr. Gonzales.

COMMISSIONER PEERMAN clarified that the total value was approximately \$230,000 with the additions the City Manager mentioned would be added to the \$208,000.

CITY MANAGER SMITH agreed with that estimate.

CITY ATTORNEY STEINFELD mentioned that each of the salaries published for the other City Attorneys would not include those benefits.

CITY MANAGER SMITH added that the amount would not include what was paid in FICA

taxes, etc.

COMMISSIONER PEERMAN stated that all of the Commissioners were looking out for the taxpayer dollars. She noted that the conversation about the total package never came up when hiring the City Manager. She asked the City Manager if the Executive Secretary was already budgeted for last year.

CITY MANAGER SMITH stated that it was not in this year's Budget.

COMMISSIONER PEERMAN was under the impression that it was already in the Budget, because she remembered discussing Nancy being able to pick which position she wanted.

CITY MANAGER SMITH said that if a recommendation and determination was made to start the recruitment process, it would take some months and could be budgeted for towards the end of the year or in next year's Budget.

COMMISSIONER PEERMAN was not sure it was fair to hold Mr. Gonzales' salary to see whether or not he would have an Assistant, because he was not familiar with the job yet. She agreed with the \$175,000 and asked why a separate pension was needed if someone was a member of Florida Retirement System (FRS).

CITY MANAGER SMITH said that he previously requested it. He noted that the employee paid in 3 percent and the City may pay in approximately 4 percent to the FRS Benefit Investment Plan. He explained that it was an additional benefit provided at the administrative level for several positions.

COMMISSIONER PEERMAN asked whether the City Clerk received that benefit.

CITY CLERK JOSEPH J. KAVANAGH replied that he did not receive that benefit.

CITY MANAGER SMITH agreed that it was in his contract, and that it was negotiated for the Police Chief when he came back to the City, because he could no longer be in the FRS.

COMMISSIONER PEERMAN asked Mr. Gonzales if he wanted the extra pension.

MR. GONZALES noted that the deferred compensation and the pension were standard in all of the contracts he previously reviewed throughout Broward County.

COMMISSIONER PEERMAN stated that the City Clerk should also be receiving it.

CITY MANAGER SMITH said that some alternate language might have been a maximum amount of contribution allowable by the Internal Revenue Service (IRS); therefore, this would be a lesser percentage than what that maximum number would be.

CITY ATTORNEY STEINFELD noted that the catch up provision it was discussed in negotiation and was rejected.

MR. GONZALES explained that there was a catch up provision allowed for people to make an addition to the 7 percent that was allowed to be paid based on IRS regulations, which was rejected.

COMMISSIONER PEERMAN reiterated that she had no problem with the \$175,000

salary. She reiterated that two employees of the Commission were being treated differently than another employee of the City Commission, which needed to be looked into.

COMMISSIONER SIMONE felt that if there had been a Workshop to discuss the salary range, questions could have been asked and ironed out prior to this meeting. She reiterated that for transparency and for her own comfort, she needed to have questions answered. She said that it was not her intention to imply that the other Commissioners were not looking out for the taxpayer dollars, but was only talking about herself. She stated that with regard to the City Manager's contract, she should have reviewed it better than she did; however, the longer she was here, the more knowledge she received and the better she was able to ask intelligent questions.

MAYOR RUZZANO said that it was possible the negotiating could have been done better; however, he held nobody accountable and felt that Mr. Gonzales would do a great job.

COMMISSIONER PEERMAN noted that the Commission could have called a Workshop at any time to speak about the figure, because it was their responsibility. She believed that there was some negotiation that took place to arrive at \$175,000 from \$165,000.

MAYOR RUZZANO clarified that there was a Workshop, and that \$175,000 was the last amount mentioned at the meeting. He thought that tonight's meeting was the opportunity, in front of the public, to discuss this salary. He said that he did not know who mentioned \$175,000 and he felt that it was not a good negotiation.

COMMISSIONER PEERMAN believed that it was Ms. Narloch mentioned that \$175,000 was the average.

ANTHONY CAGGIANO, 7856 NW 1st Street, thanked Mayor Ruzzano for the thought of \$165,000 and thanked Commissioner Simone for reading the contract and asking her questions. He said that \$165,000 divided by 52 weeks amounted to only \$3,173 a week and the whole package of \$230,000 amounted to \$4,400 a week. He stated that for a four day work week that was \$1,100 a day. He asked the City Attorney how many prosecutions he personally did over the last three years.

CITY ATTORNEY STEINFELD said that it was either, 45, 50, 60, or 70.

MR. CAGGIANO clarified that the expectation was then for Mr. Gonzales to be doing his own prosecuting and not to farm it out to other people. He stated that he was a divorced father too and nobody ever increased his salary because he had to pay child support until his son was 22 ½ years old. He felt that the amount of money per day was staggering and Commissioner Simone was correct to question the amount.

COMMISSIONER TALERICO stated that the City Attorney did not punch a clock every day or work a 40 hour work week, and he put in more hours than anybody knew about.

CITY ATTORNEY STEINFELD noted that he had written briefs while on Mediterranean Cruises. He said that he spent 45 minutes in negotiation regarding an Inspector General investigation while in Kenya. He added that when traveling from the Grand Canyon to Phoenix there was a phone booth in the middle of nowhere, and his wife took a picture of him calling the office, which she labeled, "Gene on vacation." He said that did not include the time Commissioners called him when in the bathroom.

RENATA CASTRO, 1534 NW 61st Avenue, said that as an attorney herself, it was rare to find the diverse skillset and legal knowledge that Mr. Gonzales had in one attorney. She stated that if one attorney could embody all those things, it turned out to be a savings rather than a cost. She noted that there were some things in the contract that she felt the City could better protect itself from. She referred to Section 5, Use of Employee Time, and noted that she could not find a clause in his contract stating that he was limited from engaging in outside representation even if not in conflict with the City.

COMMISSIONER PEERMAN read aloud from the clause that included that information.

MS. CASTRO clarified that the language did not prohibit Mr. Gonzales from engaging, because he could still represent outside clients that were not in conflict with the City. She referred to the Florida Rules of Professional Conduct and stated that as a taxpayer and for protection, she suggested the inclusion of the clause. She agreed that Mr. Gonzales should have a car allowance; however, Clause B of Section 7 stated that the employee was the one who could elect to get a City car with all expenses paid by the City. She noted that a cost comparison was not done to indicate what it would actually cost the City if providing the car, insurance, liability, maintenance and whatnot. She felt that the option should lie with the Commission and not with the employee. She further referred to Section 11, Dues and Subscriptions, and suggested having a preset Budget to prevent unexpected expenses.

CITY ATTORNEY STEINFELD replied that there was a preset Budget, which was an ordinance that took precedent.

RICHARD EDDENS, 3043 NW 72nd Avenue, said that the pay packages were very unusual in these days because of very tight budgets and cutbacks. He noted that he worked for General Electric, and that the employees were now losing 5 weeks of vacation time. He suggested that if the City Attorney needed time off, he inform the City well in advance and provide for a backup in his absence. He noted that subscriptions to professional magazines, uniforms and cars were tax deductible; therefore, the citizens should not have to pay. He said that economy had tightened up everyone and he asked that the City look into what parts of the salary were taken in account already.

ARLENE SCHWARTZ, 7800 NW 1st Street, former Mayor of Margate, said that as a taxpayer, she had a tremendous problem with the additional 7 percent kick in pension. She stated that as a member of the FRS and being vested in the investment part of the FRS Investment Plan, but she felt that City Staff was unprepared to answer Commissioner Simone's questions. She said that as a taxpayer, she wanted to hear exactly what the salary compensation was. She stated that she worked with City Manager Lenny Golub, who received a City car, but did not receive an allowance to his car. She suggested providing the City Attorney with an upscale City car. She noted that she expected Mr. Gonzales to receive the top of the scale; however, she felt that more discussion of the perks was needed. She added that if the City did not want to have an additional City Attorney for the CRA, an independent CRA was needed to prevent having the City Attorney on both boards with the Commission on both boards. She explained that nobody was hired to decide later if they needed more Staff; therefore, Mr. Gonzales needs to be taking the job with the idea that he could do the job. She felt that the City needed to go into this contract with its eyes open, and she believed the City did not have the information needed. She said that this might not be the time for a vote, and that possibly the item needed to be tabled to a time when the answers could be provided.

CITY MANAGER SMITH noted that the City might be contributing more on the FRS; however, he currently did not have the specifics in front of him. He clarified that there was now a fixed number of \$250,000, which was a lower cost.

The motion carried by the following vote:

Yes: 4 - Commissioner Peerman, Commissioner Talerico, Vice Mayor Bryan and Mayor Ruzzano

No: 1 - Commissioner Simone

ADJOURNMENT

There being no further business, the meeting adjourned at 7:21PM.

Respectfully submitted,

Transcribed by Carol DiLorenzo


Joseph J. Kavanagh, City Clerk

Date: 6/1/16