

Mrs. McDonald expressed that these signs appear all over the City. She asked when these signs are picked up is the City calling these people and telling them they are not allowed to display these signs.

Mr. Satterlee explained that what they have been doing is about once every two weeks the Code Enforcement Officer does a “sweep” and picks up all these signs.

Mrs. McDonald suggested that when City employees in City trucks see these signs they could pick them up.

Mr. Mekarski felt that was an excellent recommendation and he asked all his department heads with field crews to assist the Council in this effort and direct their crews to pull up these signs per the criteria set forth by the Planning and Development Department.

Mrs. McDonald also suggested a follow up call should be given to these people telling them why their signs were taken down.

Mr. Satterlee said that there has not been enough time to do that. He said if the problem continues that is something that they can look at doing.

**D) New Business**

None

**Councilmember’s Items**

**A) Vice Mayor Lynne A. Larkin**

None

**B) City Councilmember Mary Beth McDonald**

**1. City Manager’s Expenditures**

Mrs. McDonald wanted to speak publicly about some expenditures made in the City Manager’s office. The Sunshine Law makes it difficult in that if a Councilmember has a concern and would like to speak to another Councilmember about it, it can’t be done unless it is done publicly. There were three items that she wanted to address tonight. They are the department head raises, the cost for consultants and the cost for lobbyist. She said that two weeks ago this Council approved a \$10 million dollar loan to cover the City’s operating expenses and then they received a memo a few days ago that without Council’s knowledge or approval, Mr. Mekarski approved raises that ranged between \$15,000 – \$20,000 in some cases. She was not addressing whether or not these raises were deserved, but what she is addressing is the fact that this was done without Council’s approval or knowledge. She expressed that this was a considerable amount of money and this City has never been in this type of financial bind that they are in now. She feels that

Mr. Mekarski has overstepped his authority in approving these raises and not sharing this information with Council. She then asked Mr. Vitunac if there is anything that can be done about this.

Mr. Vitunac referred to Section 13.06 of the Personnel Rules that states the City Manager recommends the appropriated amounts for salary adjustments each year and then all other salary adjustments are determined by the City Manager within the budgetary guidelines established by the City Council. He thought what this means is that each October there is an amount put in the budget by the Council in the salary budget. He felt that the City Manager has the power to adjust, but only within the amounts put in the budget by Council for salaries. He did not think that you could transfer from a capital account into the budget for salaries. He said as long as there was money put in the salary account, the City Manager has the right to move those salaries around as long as he does not exceed the amount Council has approved for the year. Mr. Vitunac did not know where these monies came from and was waiting to here that as evidence. So, he cannot say if this was done incorrectly or not.

Mrs. McDonald stated that she spoke to the Finance Director about this and it was her understanding that the monies were not allocated in the budget under salaries. She said that she was told the line items were moved around and the money for these raises came from the general fund. She reiterated that it was up to the City Council to make these decisions and she was pretty alarmed when she heard about this.

The other issue Mrs. McDonald addressed was the lobbyist that Mr. Mekarski hired. He hired lobbyists that he knew from his past job in Illinois who reside in Washington, DC. She expressed that the City Manager has the authority to spend up to \$25,000 for an item without Council approval. She told Mr. Mekarski that Vero Beach could not afford to spend \$20,000 for lobbyists without a plan in place to use them.. She met these lobbyists when she was in Washington and they had never been to Florida before and did not know any Florida delegates. She said that with the \$20,000 already paid to these lobbyists they (the City) have seen nothing for this money. She spoke to Mr. Mekarski about this and he told her that the lobbyists were working on strategies. She asked Mr. Mekarski to disassociate himself with these lobbyists because they have no knowledge of Florida issues. She referred to a memo of December 6<sup>th</sup> saying that Mr. Mekarski would be putting this issue on a January City Council agenda because he will have exceeded the \$25,000 that he is allowed to spend. Mrs. McDonald noted that other lobbyist that the City has employed in the past have only charged between \$500-\$1,000 per month maximum for City projects. She referred to the Airport lobbyist who has worked for them for many years and what accomplishments he has made over the years and they have only paid him approximately \$10,000 total.

Mrs. McDonald brought up the consultants that Mr. Mekarski has hired. She said one of the consultants was from Illinois and charged the City \$3,000 for his services. Additionally, they put this consultant up at a hotel and fed him to do personality testing. She feels that there are a lot of consultants in Florida that could have been hired. There were several other things she did not want to discuss tonight in terms of money spent.

She asked her fellow Councilmembers if they would look into the same information that she procured herself and maybe they could get together and come to a consensus in reducing the amount Mr. Mekarski would be allowed to spend.

Mayor White knew about some of these things through the press. He felt that Council needed to have a workshop/special call meeting (Councilmembers and the three Charter Officers) to get together and talk to the City Manager about this information that has been acquired and ask Mr. Mekarski to explain some things to them and let questions be asked and answered. He felt they needed to do this as a team effort and concentrate on this one subject and everything should come out fine.

Mrs. McDonald went back to the raises and expressed that this has been very upsetting to members of the public. She asked Council if it would be possible to view these raises as a bonus and then stop these raises. Then Mr. Mekarski could go through proper channels and the City Council would review these in a fair and equal way. She wanted to rescind these raises and then go through proper channels to try to save money instead of spending it. She also asked Mr. Mekarski along with the weekly activity list, to send them his weekly spending bills.

Mayor White felt that they needed to look into this and get some of these unanswered questions, answered. He said that Mr. Vitunac would have to give his legal opinion. He then asked Mr. Vitunac if it was legal to rescind a salary.

Mr. Vitunac expressed that he still has not been told where the money came from to give these raises.

Mr. Steve Maillet, Finance Director, stated that historically they work on the money six to eighteen months out. He said every line item is an estimate.

Mrs. McDonald asked Mr. Maillet to just tell them where the money came from for these raises.

Mr. Maillet said that the Marina funds come from the Marina, the Airport funds come from the Airport, and the General Fund from the General Fund.

Mrs. McDonald stated that the money came from the General Fund and the City Council did not approve these funds in the line items under salaries. She said that what she has just heard from Mr. Vitunac is since Council did not approve these line items that were approved in the salaries, these raises were not given in a proper way.

Mr. Maillet continued by saying that one of the things that the pay study called for was periodic reviews of all the positions to make sure they were current for the right level and the right pay. He said that the Charter allows the City Manager by fund (general fund, electric fund, etc.), under his own discretion to move up to \$50,000 a year among line items. He said one of the things that the City of Vero Beach does not do is budget a contingency account.

Mrs. McDonald reiterated that these raises were not given in a proper way and because of that the raises can be taken away and this whole situation can be reevaluated. She said if this was brought before Council it would have been looked at very carefully with great caution and she does not think that these Department Heads would have been given this large sum of money.

Mr. Mekarski respected any Councilmember's concern over the financial spending in this City. He believed that he gave pay equity adjustments and they were not considered raises. He did not evaluate anyone's performance or merit. He asked the Human Resource Director to evaluate the management team from pay equity. He said look at the existing salaries from the entire department head group and some key administrators and determine if they were comparable with internal rates of pay and external rates of pay. What the Human Resources Director attempted to do is to look at what other directors for comparable size cities are paying for the same skills. Also, what was this City paying other directors within our own organization in terms of responsibility, budget oversight and liability. The Human Resources Director provided him with recommendations that there were a few adjustments that needed to be made to the management team. He said raises were given to three department heads and one or two administrative positions.

Mrs. McDonald reiterated the point of the matter is that Mr. Mekarski did not have the authority to do this. She said that she has consulted with the legal attorney on this.

Mr. Mekarski explained that he made his decision with the understanding that he did have the legal authority and did so within City policy. He was given assurance by the Finance Director that he felt quite comfortable in doing this. Mrs. McDonald interjected that Mr. Maillet is a great guy, but he is not a lawyer. Mr. Mekarski continued by saying that he believed in making the approval on these pay equity recommendations, that as long as he provided the management of those pay equity changes within the allocation approved by the Council for the aggregate amount of salaries for the general fund and aggregate amount produced by the Airport and Marina that he was within his authority to adjust the salaries within the salary ranges approved by Council. He said all the salary changes can be absorbed within the appropriation provided by City Council for General Fund salaries, Airport salaries and Marina salaries. At the budget workshops, he informed Council that he would not wish to go ahead and implement the pay equity changes, but that he would like to do a pay equity study across the board and then make recommendations. He said this was supported by Council.

Mrs. McDonald told Mr. Mekarski that he initiated the process and then went further and decided to implement it.

Mr. Mekarsi stated that whether or not he felt he had the legal authority, he certainly should have consulted with Council on the recommendations that were provided to him by the Human Resource Director and his implementation strategy. It is important for a City Manager to do this because of the long-term physical impacts and for the political consequences. This is a lesson that he has clearly learned. He said that there needs to be

a higher degree of communication by his office to each of the Councilmembers. He has pledged this to the Councilmembers and his first and utmost obligation to present the interest of this body fairly and impartially. He apologized for breaching excellence in communication. He respects the wishes of the Council. He did not and would never want to do anything out of his current authority.

Mayor White told Mr. Mekarski that as City Manager he has the right to make decisions and look at things like this. As far as the Council goes, they have a responsibility to the taxpayers of Vero Beach. He referred to the salary raises and said that the timing was terrible. He said they went through two hurricanes and had to borrow \$10 million dollars and they don't know what FMPA is going to do with the power company. He is not disputing the legalities on this. He said that there needs to be a workshop where the City Council and the Charter Officers can sit down and talk and work these things out.

Mrs. McDonald made a motion that these salaries are frozen and considered a bonus, until which time the Council revisits this issue and they see how much money they have or don't have and then move on from there.

The motion died for lack of a second.

Mayor White reiterated that the reason he would like to have this meeting is because they need a legal opinion; they need to look at the budget and find out what is going on and what went on.

Ms. Larkin commented that the Sunshine Law does not prevent them from getting all this information before it is brought up in public. She said none of the Councilmembers can tell Mr. Mekarski what to do or not to do if it is within his powers. She did appreciate the fact that a lesson has been learned and that Council should be notified if something this large (referring to the raises) is going to occur.

Mr. Abell agreed with the comments made by Ms. Larkin.

A short discussion about the appointment to the Growth Committee took place.

**C) City Councilmember Sabin Abell**

None

**10. ADJOURNMENT**

Tonight's meeting adjourned at 10:30 p.m.

/tv

