



OFFICE OF THE MAYOR AND TOWN COUNCIL

Michael P. Callahan
Vice Mayor

Memorandum

To: Honorable Mayor and Town Council

From: Vice Mayor Michael P. Callahan

Date: June 18, 2025

Re: Amending Resolution 17-30, Relating to COLA and Establishing a Merit Pay Policy

REQUEST

A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF CUTLER BAY, FLORIDA, AMENDING RESOLUTION NO. 17-30 RELATING TO COST-OF-LIVING ADJUSTMENTS (COLA); DIRECTING THE TOWN MANAGER TO DEVELOP AN EMPLOYEE MERIT PAY POLICY; PROVIDING FOR IMPLEMENTATION; AND PROVIDING FOR AN EFFECTIVE DATE.

BACKGROUND AND ANALYSIS

On April 19, 2017, the Town Council of the Town of Cutler Bay ("Town") adopted Resolution No. 17-30, designating the use of the Consumer Price Index ("CPI") Table for All Urban Consumers for the Miami-Fort Lauderdale-West Palm Beach area as the CPI table to use for purposes of calculating the inflation rate for Town Staff Cost of Living Adjustments ("COLA").

Since the implementation of Resolution No. 17-30, the Town has experienced extraordinarily high inflation due to the COVID-19 Pandemic, supply chain shocks, and the Russian invasion of Ukraine, among other major events, resulting in the CPI sometimes being higher than 10%.

During the April 16, 2025 Regular Town Council Meeting, I requested a future discussion on the topic of COLA Adjustments as outlined in Resolution No. 17-30.

On May 21, 2025, the Town Council held a COLA Workshop where the Town's current practice, based on the Consumer Price Index, and Resolution No. 17-30, adopted by the Town Council on April 19, 2017, were both discussed. During the workshop, the Council requested that I work closely with both the Town Manager and the Town Attorneys, to develop a resolution revising Resolution 17-30, outlining my recommendations for both COLA and Merit Pay Policies for Town Staff. Discussions have continued over the past several weeks with the Town Manager and Town Attorneys.

While the Town has managed to thrive and overcome and adapt to these challenges, the existing COLA policy is in need of adjustments to ensure the Town's continued economic strength in the event of future economic hardship and instability.





OFFICE OF THE MAYOR AND TOWN COUNCIL

Michael P. Callahan
Vice Mayor

The Town Council desires to amend Sections 2 and 3 of Resolution No. 17-30, as *shown below*, to provide for a revised methodology for calculating Town Staff COLA and also directs the Town Manager to develop policies governing future merit pay increases for Town Staff:

Section 2. Designation of Consumer Price Index Table. The CPI table for All Urban Consumers for the Miami-Fort Lauderdale-West Palm Beach, ~~Florida~~ area, attached hereto as Exhibit "A," shall be used for calculating the annual inflation rate pursuant to Section 2.6 of the Town Charter. For purposes of calculating the Cost of Living Adjustment ("COLA") pursuant to Section 2.6 of the Town Charter and for Town Staff, the inflation rate adopted for the budget commencing on October 1st of each year shall be the inflation rate calculated for the immediately preceding calendar year based on this CPI table, provided, however, that any increases to the COLA for Town Staff shall not be lower than 2% or higher than 5% without Town Council approval. COLA for Town Staff shall be paid as a one-time lump-sum payment and shall be subject to the following additional conditions:

- A. No cost of living adjustments will be provided to Town Staff if the Town's Annual Comprehensive Financial Report (ACFR) for the preceding fiscal year shows a net change in fund balance for the General Fund of \$500,000 or less, unless otherwise approved by the Town Council.
- B. Proposed increases to the COLA for Town Staff that are between 2-5% do not require approval by the Town Council.
- C. Proposed increases to the COLA for Town Staff exceeding a 5% salary increase shall require Town Council approval during the annual budgeting process.
- D. Town Staff with salaries that exceed \$110,000 and have achieved the maximum salary for their job classifications shall not be eligible for a COLA, but will be eligible for merit increases and longevity pay, as provided in the Town's merit pay and longevity policies respectively.
- E. Notwithstanding the foregoing, if the Town Manager proposes an annual budget that requires the use of Town's unassigned fund balance due to negative economic conditions, the proposed budget shall not provide for a COLA, unless otherwise approved by the Town Council.

Section 3. Authorization. The Town Council hereby authorizes the Town Manager to implement the CPI table for All Urban Consumers for the Miami-Fort Lauderdale-West Palm Beach, ~~Florida~~ area, attached hereto as Exhibit "A," for the most recent fiscal year the fiscal year 2016-17, effective April 1, 2017.





OFFICE OF THE MAYOR AND TOWN COUNCIL

Michael P. Callahan
Vice Mayor

In summary:

- a. There shall be an allocation of 5% of payroll cost to a merit pay pool for the payment of merit pay increases to Town Staff. The merit pay pool may be increased or decreased by the Town Council based on the Town's financial condition .
- b. Merit increases shall be added to the base pay of Town Staff except if an employee has achieved the maximum salary for his/her job classification, under which circumstances the merit increase will be provided as a lump-sum payment on the employee's anniversary date.
- c. A revised annual employee performance evaluation method based on objective scoring criteria shall be used as the basis for determining merit pay increases.
- d. Employees that have become ineligible for COLA shall be eligible for merit pay increases.
- e. There shall be an increase of 3% to an employee's base salary commencing with the employee's 10th year of employment and every 5 years thereafter, regardless of whether the employee has reached the maximum salary for their job classification.

ATTACHED DOCUMENT

- Attachment A - Resolution No. 17-30, Designating the Use of the Consumer Price Index, April 19, 2017

RECOMMENDATION

It is recommended that the Town Council adopt the attached Resolution, which amends Resolution No. 17-30 to provide for a revised methodology for calculating Town Staff COLA and directs the Town Manager and Town Attorney to develop and implement an employee merit pay policy and longevity policy into the Town's Employee Policies and Procedures Manual to become effective no later than fiscal year 2026-27.



RESOLUTION 17-30

**A RESOLUTION OF THE MAYOR AND TOWN COUNCIL
OF THE TOWN OF CUTLER BAY, FLORIDA,
DESIGNATING THE USE OF A SPECIFIC CONSUMER
PRICE INDEX TABLE FOR CALCULATING THE
INFLATION RATE; PROVIDING FOR AUTHORIZATION;
AND PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, Section 2.6 of the Town Charter provides that the compensation of the Town Council shall be increased, but not decreased, by the Consumer Price Index ("CPI") on an annual basis; and

WHEREAS, the Town Charter does not indicate which CPI table to use, nor the method of calculation; and

WHEREAS, the Town Council desires to designate the CPI table for All Urban Consumers for the Miami-Fort Lauderdale, Florida area (attached hereto as Exhibit "A") as the CPI table to use and calculate the inflation rate pursuant to Section 2.6 of the Town Charter; and

WHEREAS, the Town Council desires that this same CPI and method of calculation be used to determine any Cost of Living Adjustments (COLA) adopted by the Town Council for Town Staff, including the Charter Officials, effective October 1st of each budget year if so adopted by the Town Council for that year; and

WHEREAS, the Town Council desires that this CPI and method of calculation be implemented for the fiscal year 2016-17, effective April 1, 2017; and

WHEREAS, the Town finds that adopting this Resolution is in the best interest of the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND TOWN COUNCIL OF THE TOWN OF CUTLER BAY, FLORIDA, AS FOLLOWS:


Section 1. **Recitals.** The above recitals are true and correct and are incorporated herein.

Section 2. **Designation of Consumer Price Index Table.** The CPI table for All Urban Consumers for the Miami-Fort Lauderdale, Florida area, attached hereto as Exhibit "A," shall be used for calculating the annual inflation rate pursuant to Section 2.6 of the Town Charter. The inflation rate adopted for the budget commencing on October 1st of each year shall be the inflation rate calculated for the immediately preceding calendar year based on this CPI table.

Section 3. **Authorization.** The Town Council hereby authorizes the Town Manager to implement the CPI table for All Urban Consumers for the Miami-Fort Lauderdale, Florida area, attached hereto as Exhibit "A," for the fiscal year 2016-17, effective April 1, 2017.


Section 4. **Effective Date.** This resolution shall take effect immediately upon adoption.

PASSED and ADOPTED this 19th day of April, 2017.




PEGGY R. BELL
Mayor

Attest:



DEBRA E. EASTMAN, MMC
Town Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY FOR THE
SOLE USE OF THE TOWN OF CUTLER BAY:



WEISS SEROTA HELFMAN
COLE & BIERMAN, P.L.
Town Attorney



Moved By: Council Member Coriat
Seconded By: Council Member Mixon

FINAL VOTE AT ADOPTION:

Mayor Peggy R. Bell	YES
Vice Mayor Sue Ellen Loyzelle	YES
Council Member Mary Ann Mixon	YES
Council Member Michael P. Callahan	YES
Council Member Roger Coriat	YES

Exhibit “A”

Consumer Price Index – All Urban Consumers Report

Miami – Fort Lauderdale, FL

Consumer Price Index - All Urban Consumers Original Data Value

Series Id: CUURA320SA0
 Not Seasonally Adjusted
 Area: Miami-Fort Lauderdale, FL
 Item: All items
 Base Period: 1982-84=100
 Years: 2007 to 2017

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2007		207.989		210.904		212.820		213.127		215.159		217.319	212.390	209.955	214.826
2008		219.082		221.324		225.079		225.473		223.699		218.324	222.119	221.180	223.059
2009		220.589		220.740		221.485		221.306		222.416		222.943	221.387	220.674	222.100
2010		222.505		222.625		222.390		222.803		223.631		224.907	223.062	222.553	223.570
2011		227.451		231.503		231.197		232.749		232.141		231.794	230.851	229.524	232.178
2012		234.043		236.095		233.991		236.110		236.793		235.023	235.207	234.526	235.889
2013		238.524		238.124		237.815		237.438		238.858		239.417	238.179	237.921	238.437
2014		242.268		244.073		243.428		243.124		244.130		242.676	243.147	242.921	243.372
2015		243.283		245.195		246.245		246.348		246.789		246.597	245.419 ²	244.327	246.511
2016		247.126		248.741		250.208		250.263		251.571		253.629	249.790 ¹	248.156	251.424
2017		256.890													

Source:

https://data.bls.gov/timeseries/CUURA320SA0?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true

Based on the Consumer Price Index table above, the rate of inflation for calendar year 2016, to be used as the cost of living adjustment for the Town Council, and Town staff (including the Town Manager and Town Clerk) if the Town Council so authorizes, for the budget year starting October 1, 2017 would be **1.78%**, calculated as follows:

For Calculation Purposes:

2016 Index, Annual column	249.790 ¹	
2015 Index, Annual column	<u>245.419²</u>	
Net Increase calendar year 2016	<u>4.371</u>	249.790 minus 245.419 = 4.371

2016 Inflation Rate = Net Increase/2015 Index multiplied by 100	<u>1.78%</u>	4.371/245.419*100
---	--------------	--------------------------

RESOLUTION NO. 25-__

A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF CUTLER BAY, FLORIDA, AMENDING RESOLUTION NO. 17-30 RELATING TO COST-OF-LIVING ADJUSTMENTS (COLA); DIRECTING THE TOWN MANAGER TO DEVELOP AN EMPLOYEE MERIT PAY AND LONGEVITY PAY POLICY; PROVIDING FOR IMPLEMENTATION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on April 19, 2017, the Town Council of the Town of Cutler Bay (“Town”) adopted Resolution No. 17-30, designating the use of the Consumer Price Index (“CPI”) Table for All Urban Consumers for the Miami-Fort Lauderdale-West Palm Beach area as the CPI table to use for purposes of calculating the inflation rate for Town Staff Cost-of-Living Adjustments (“COLA”); and

WHEREAS, since the implementation of Resolution No. 17-30, the Town has experienced extraordinarily high inflation due to the COVID-19 Pandemic, supply chain shocks, and the Russian invasion of Ukraine, among other major events, resulting in the CPI sometimes being higher than 10%; and

WHEREAS, while the Town has managed to thrive and overcome and adapt to these challenges, the Town Council has identified that the existing COLA policy is in need of adjustments to ensure the Town’s continued economic strength in the event of future economic hardship and instability; and

WHEREAS, the Town Council desires to amend Resolution No. 17-30 to provide for a revised methodology for calculating Town Staff COLA and direct the Town Manager to develop policies governing future merit pay increases and longevity pay for Town Staff; and

WHEREAS, the Town Council finds that the adoption of this Resolution is in the best interest and welfare of the residents of the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND TOWN COUNCIL OF THE TOWN OF CUTLER BAY, FLORIDA, THAT:

Section 1. Recitals. The above recitals are true and correct and are incorporated herein by this reference.

Section 2. Amendment to Resolution 17-30. The Town Council hereby amends Sections 2 and 3 of Resolution No. 17-30 as follows:

Section 2. Designation of Consumer Price Index Table. The CPI table for All Urban Consumers for the Miami-Fort Lauderdale-West Palm Beach, Florida

area, attached hereto as Exhibit “A,” shall be used for calculating the annual inflation rate pursuant to Section 2.6 of the Town Charter. For purposes of calculating the Cost of Living Adjustment (“COLA”) pursuant to Section 2.6 of the Town Charter and for Town Staff, the inflation rate adopted for the budget commencing on October 1st of each year shall be the inflation rate calculated for the immediately preceding calendar year based on this CPI table, provided, however, that any increases to the COLA for Town Staff shall not be lower than 2% or higher than 5% without Town Council approval. COLA for Town Staff shall be paid as a one-time lump-sum payment and shall be subject to the following additional conditions:

- A. No cost of living adjustments will be provided to Town Staff if the Town’s Annual Comprehensive Financial Report (ACFR) for the preceding fiscal year shows a net change in fund balance for the General Fund of \$500,000 or less, unless otherwise approved by the Town Council.
- B. Proposed increases to the COLA for Town Staff that are between 2-5% do not require approval by the Town Council.
- C. Proposed increases to the COLA for Town Staff exceeding a 5% salary increase shall require Town Council approval during the annual budgeting process.
- D. Town Staff with salaries that exceed \$110,000 and have achieved the maximum salary for their job classifications shall not be eligible for a COLA, but will be eligible for merit increases and longevity pay, as provided in the Town’s merit pay and longevity policies respectively.
- E. Notwithstanding the foregoing, if the Town Manager proposes an annual budget that requires the use of Town’s unassigned fund balance due to negative economic conditions, the proposed budget shall not provide for a COLA, unless otherwise approved by the Town Council.

Section 3. Authorization. The Town Council hereby authorizes the Town Manager to implement the CPI table for All Urban Consumers for the Miami-Fort Lauderdale-West Palm Beach, Florida area, attached hereto as Exhibit “A,” for the most recent fiscal year ~~the fiscal year 2016-17, effective April 1, 2017.~~

Section 3. Direction. The Town Council hereby directs the Town Manager and Town Attorney to develop and implement an employee merit pay policy and longevity pay policy into the Town’s Employee Policies and Procedures Manual to become effective no later than fiscal year 2026-27. The employee merit pay policy shall provide that:

- a. There shall be an allocation of 5% of payroll cost to a merit pay pool for the payment of merit pay increases to Town Staff. The merit pay pool may be increased or decreased by the Town Council based on the Town’s financial condition .
- b. Merit increases shall be added to the base pay of Town Staff except if an employee has achieved the maximum salary for his/her job classification,

under which circumstances the merit increase will be provided as a lump-sum payment on the employee's anniversary date.

- c. A revised annual employee performance evaluation method based on objective scoring criteria shall be used as the basis for determining merit pay increases.
- d. Employees that have become ineligible for COLA shall be eligible for merit pay increases.
- e. There shall be an increase of 3% to an employee's base salary commencing with the employee's 10th year of employment and every 5 years thereafter, regardless of whether the employee has reached the maximum salary for their job classification.

Section 4. Implementation. The Town Manager is authorized to take any and all actions necessary to implement the policies referenced herein and the purposes of this Resolution. Implementation shall take place no later than Fiscal Year 2026-2027.

Section 5. Effective Date. This Resolution shall be effective immediately upon adoption.

PASSED and ADOPTED this ____ day of June 2025.

TIM MEERBOTT
Mayor

Attested and Rendered June __, 2025:

MAURICIO MELINU, CMC
Town Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY FOR THE
SOLE USE OF THE TOWN OF CUTLER BAY:

WEISS SEROTA HELFMAN
COLE & BIERMAN, P.L.
Town Attorney

Moved By: _____
Seconded By: _____

FINAL VOTE AT ADOPTION:

Mayor Tim Meerbott _____

Vice Mayor Michael P. Callahan _____

Councilmember Suzy Lord _____

Councilmember Robert “BJ” Duncan _____

Councilmember Richard M. Ramirez _____