

KeyOpinion



Welcome to Bruce St. Denis' Brave New World

Welcome to a new era, the Brave New World of Bruce St. Denis — Chapter 8.

Following the Town Facilities Reconstruction, The \$25 million Debris Removal Land Plan, Reclaimed Water, Dredging, The Fire Truck Purchase, T-Head Groins, Airplane Flight Paths and the Vision Thing, we now are ready to experience a revamped Town Pension/Benefits Plan. What is the reason? What is driving the change?

Imagine if you're trying to run a company of 70 employees and you're faced with the dilemma of encouraging their loyalty. And then imagine also maintaining the loyalty of 7,000 customers. Good luck.

In a municipality like Longboat Key, the challenge for retention is cut in half. After all, retaining customers is easy — they are the residents. They cannot choose not to be a customer unless they move or die. And then they are quickly replaced by a new face. Actually, new faces are better customers of the Town as their property is inevitably reassessed and the new resident pays more in taxes.

It's an axiom of private enterprise that retaining customers in the face of competition is a necessity for survival. But, as any business owner will whine and complain, you must also retain key employees. This is accomplished by exceeding competitor's salaries, a stimulating work environment and through imbuing the company with a sense of teamwork and ambition.

The reality is, it's no easy task. The Internet offers a nearly pornographic panoply of job opportunities — online resumes, Google and Yahoo searches, Monster.com, association networking, blogging, instant messag-

By Steve Reid
Editor & Publisher

ing — all of these lead your employee out of the workroom and into the world of opportunity and distraction. This is not to an employer's favor, especially since it can be accomplished by most employees while they appear to be doing their daily work. That is why it is important to encourage employees to be invested both financially and emotionally in their workplace.



In fact, employers have long devised a myriad of methods to that end including pensions, profit sharing, stock options as well as defined wage increases for longevity.

Exodus at the Top?

Fortunately, Town Manager Bruce St. Denis doesn't have to worry as do Realtors, newspaper owners, restaurateurs and hoteliers about whether it's going to be a strong season or not. One of his sole and most important tasks in running the municipality of LBK is to retain its top employees.

But recently, a few of the strongest caribou have left the herd. And it could be only the beginning of an era of exodus. St Denis' desire to allow the Town's top employees to opt out of the municipal pension plan will essentially plant a trampoline under the department heads allowing them to jump easily into any enticing opportunity.

The Town Manager's push to allow these employees to opt out will be discussed by Town commissioners when they undertake first reading of the new pension plan ordinance on June 5. The irony is that he not only wishes to allow new department heads to opt out of the now-mandatory plan, but he wants to allow current department heads to leave the plan and receive retroactively a lump sum payment of 16% of their salary since the date they were hired to be placed in a 401A.

Incentive to Stay or Leave?

The opt-out plan will effectively remove any financial incentive other than salary and job quality to remain with the Town of Longboat Key. It also creates a disparity between the options available to top management and the lower-level staffers who will still be forced to join the pension plan and will not have the option to opt out.

And the supporting argument to opt-out is buttressed by incomplete math. A May 4 memo to the Town from its actuary, Foster & Foster, says that if employees Kathi Pletzke, Juan Florensa, Jane O'Connor and Susan Ammons leave the plan, the Town will realize a savings of \$46,000. But even the Town's actuary said it could be

good or bad for the pension plan depending on which, or if all, of the employees desire to remove themselves. The study commissioned by the Town only showed the net result if all of the above employees cashed out at once.

St. Denis argues that he wants the 401A option as a hiring tool. He says it is enticing because top-tier employees experience higher turnover and are asking for the 401A option.

Retroactive Necessity?

But why should Juan Florensa, Kathi Pletzke, Susan Ammons and Jane O'Connor be offered a lump sum transfer out of the pension plan into a 401A?

St. Denis said he is loyal to his employees and wants to offer to them the same thing he wants to offer future employees. One thing to bear in mind, says St. Denis, is the above named individuals are all department heads, and therefore serve in an at-will capacity; meaning St. Denis can fire them without cause or justification at any time. St. Denis says these kinds of positions have higher rates of turnover than lower-tiered positions. One could argue that is all the more reason to create incentives for them to stay instead of creating a revolving door where your pension travels upon your exit. St. Denis admits that employees will not stick around if they're not in the pension plan and they have a better opportunity elsewhere.

Some pension board members question why St. Denis isn't pushing for all employees to be able to opt out of the pension plan. One said, "Enough is enough. The management is already over-compensated and in the top tier. It is one more example of more for management and nothing for the general employees."

Another sentiment is that management is already compensated enough so it is reasonable to encourage their loyalty through a defined benefit pension plan.

But St. Denis says the reasons for working on Longboat should outweigh the pension issue.

"If they don't want to be here, I don't want them," says St. Denis.

Even though money and benefits will become far more portable under the 401A, he believes the reasons for working on Longboat Key are compelling enough without trapping employees in a pension plan. He said if lower level employees want to opt out of the defined benefit plan, he will support that, too.

St. Denis said the issue came to light when Police Chief Al Hogle came on board and requested and was allowed to not be part of the police pension plan. More recently, Town Clerk Jane O'Connor asked if she could opt out. That is what prompted St. Denis to look into the matter.

Philosophically, it really comes down to two questions: Is it more valuable for the Town of Longboat Key to entice employees to stay through trapping them in a pension, or is it better to give them more financial freedom and control over their money, and risk a higher turnover and potential loss of top employees?

Time will tell.

Correction

In "Longboat Holds Top Salsa Crown" in the May 19 issue, General Manager Ken Parsons was incorrectly identified as the owner of Café on the Bay. Titus Letschert and Betsie Coolidge are the co-owners of Café on the Bay.

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Ski-A-Rees Staying Put

Dear Editor,

As President of the Sarasota Ski-A-Rees Water Ski Show Team, I'm perplexed about the recent item you ran, stating that the Ski-A-Rees are looking to move from our "temporary quarters" to a location in Quick Point Park. Ken Thompson Park on City Island has been our home for nearly fifty years, and we hope to occupy it for fifty more. The present location of Ski-A-Rees Stadium is perfect for us, as it is centrally located not just to your readership on Longboat Key, but for our fans throughout Sarasota, Manatee, and Charlotte Counties. We can only imagine that your confidential source in Town Hall would like to have Ski-A-Rees shows, which have drawn over 6,000 spectators in the past year,

even closer to Longboat Key. Fortunately, the fun for your readers is just across the New Pass Drawbridge. We'll kick off our Fall, 2006 season by hosting the Sunshine State Invitational Show Ski Tournament, at which we will defend last year's state championship, September 23-24 at our home site. Shows will then continue each Sunday at 2 p.m. through November 4th. We appreciate your great coverage of our efforts in the past, and hope you will cover our coming events with the same enthusiasm in the future. See you in September!

Kent Perry
President
Sarasota Ski-A-Rees