

# MINUTES

## KEY COLONY BEACH CITY COMMISSION BUDGET WORKSHOP

Monday, July 25, 2022 - 9:30 A.M.

City Hall & Virtually via Zoom Conferencing

**1. Call to Order, Roll Call:** The Budget Workshop of the City of Key Colony Beach was called to order by Mayor Trefry at 9:30 a.m. followed by the Pledge of Allegiance, Prayer, and Roll Call.

**Present:** Mayor Trefry, Vice-Mayor Harding, Commissioner DeNeale, Commissioner Sutton, Commissioner Ramsay-Vickrey.

**Also Present:** City Administrator Dave Turner, City Clerk Silvia Gransee, City Attorney Dirk Smits (virtual), Public Works Department Head Mike Guarino, Chief Kris DiGiovanni, Administrative Assistant Barbie Morales.

**Public:** 0 Marble Hall, 14 Virtual

### **2. Guideline for Budget**

A. 2022/2023 Estimated Taxable Value:

B. Estimated End of Year Cash Reserves

C. General Fund YTD Revenue and Expenditures

City Administrator Dave Turner reported on the current taxable value, proposed millage, and rollback numbers. The City Administrator explained ad valorem calculations taking into account the 289 homesteaded properties in Key Colony Beach. City Administrator Turner continued explaining revenues in communication, sales, and service tax, compared to last year, as well as occupational license calculations. City Administrator Turner continued explaining that the Building Department is considered a subsidiary of the main business that does not use any taxable dollars but is fee-based through building permits. The City Administrator further explained the police grant Chief DiGiovanni has been working on which consists of monies for police officer salaries for three years. City Administrator Turner explained that the last open Police Officer position might not be available and other arrangements have to be found if the grant does not come through. City Administrator Turner further reported on shared state revenues, Parks and Recreation, Boat Trailer Parking, Code Violations, interest in income, miscellaneous revenues, and internal transfers. The Administrator explained the internal transfers as monies from the Building Department and the balance from the Utility Department.

City Administrator Dave Turner continued explaining expenses, including legislative and Commission expenses, including lobbyist, mandatory meetings in Tallahassee, increases in financial and administrative expenses due to changes in salaries, and changes in Building Department allocations. The City Administrator further reported on anticipated legal council expenses, comprehensive planning, City Hall trailer rentals, Law enforcement

expenses, Fire and EMS expenses, which will remain the same for this budget year but will change substantially next year. City Administrator Turner continued saying that Public Works expenses are up due to maintenance, Parks and Recreations expenses are up with the biggest expense due to water usage, and Beautification remains the same as last year but has a pending request for monies for an additional entrance garden. City Administrator Turner stated his uncertainty on granting the budget request for Beautification with the new City Hall project coming up but asked the Commission to take a note on the request. The City Administrator continued explaining reserves which are reserved mostly for equipment, additional monies for contingencies, and additions to reserve. City Administrator Dave Turner updated that no estimate on workman's comp, health insurance, and liability insurance have come in yet but should be covered by contingencies. The City Administrator continued explaining the comparison chart to the prior year and the 12-month estimate and explained the big change in monies is due to the move to reserves.

City Administrator Turner continued explaining breakdowns on expenses, including trailer rental fees, bathroom trailer rentals, Fire and EMS, Law Enforcement, Park and Recreations, and Reserves for equipment. City Administrator explained that next year's budget has an increase in contingency planning and movement of monies into the reserves. The City Administrator continued explaining the proposed millage rate which is the same as the previous year and the rollback number. City Administrator Dave Turner explained that even though the proposed millage rate remains the same, there will be a slight increase in taxes due to property values having increased substantially. The City Administrator further explained that if the Commission decides to go to the rollback rate, significant cuts have to be made to the budget. City Administrator Turner explained that the City is 12.93 percent above rollback and continued explaining homesteaded versus non-homesteaded tax. The City Administrator explained that the City has 289 homesteaded properties out of 1547 total properties and how tax calculations are derived. City Administrator Turner explained that homesteaded properties will have an increase in \$149.05 per \$600,000.00 versus a non-homesteaded property that will have an increase of \$292.68 per \$600,000.00 in property taxes.

City Administrator Turner stated that this concludes his proposed budget with all Department Head requests included. The City Administrator continued saying that this will be a tight budget and is looking to end this year within budget. City Administrator Dave Turner further stated that this budget does include salary increases as well as a 5 % COLA increase which he was asked to do in the previous year and also will help with employee retention. City Administrator Turner stated he is open to Commission suggestions and can adjust line items if so desired.

Commissioner Sutton thanked City Administrator Turner for his work on the budget proposal. Commissioner Sutton continued saying that he appreciates the increase in salaries which should help with employee retention especially considering how hard it is to find employees in Monroe County. Commissioner Sutton further compared the millage rate and

employee salary increases to the City of Marathon and concluded by agreeing with the City Administrators proposal.

Secretary/Treasurer DeNeale stated that he has been in the budget process for several years now and would like to see where the city is standing financially and to inform the residents on reasons for cash reserves and uses of it. Secretary/Treasurer DeNeale continued saying that he walked through the cash reserves with Accountant Jen Johnson and would like to report the Commission on it. Secretary/Treasurer DeNeale explained the details of his submitted 'End FY Projected General and Infrastructure Fund Balance' sheet to the Commission. (Please contact the City Clerk at [cityclerk@keycolonybeach.net](mailto:cityclerk@keycolonybeach.net) for a copy). Secretary/Treasurer DeNeale concluded his presentation on usage of cash reserves with the direction for staff to move the \$1,000,000.00 reserves into a capitol infrastructure account with an additional \$500,000.00 in October. City Administrator Turner stated to the Commission that these changes will show in the next budget packet to the Commission. Commissioner Sutton asked if another hard copy would be available which City Administrator Turner confirmed.

Secretary/Treasurer DeNeale stated that Accountant Jen Johnson explained that the City of Marathon hires a contractor for storm cleanup and corresponding work packets which is paid for by the county. Mayor Trefry asked on the storm removal procedure and if it has to change for the future. City Administrator Turner followed up with Commissioner DeNeale and stated that FEMA will be covering the costs with proper paperwork submitted with no cost to the taxpayer. The Commission and City Administrator continued discussing storm cleanup procedures and FEMA requirements for reimbursements. City Administrator Turner explained that City Clerk Gransee will be the liaison for WebEOC and himself the head of operations for the city. City Administrator Turner continued saying to Secretary/Treasurer DeNeale that he likes to be part of his suggestion and that the paperwork alone is a full-time job. The City Administrator further stated that a decision is not needed at this moment but he will get together with Jen Johnson on the process.

### **3. Commission Direction/Discussion**

**Mayor Trefry** stated that she is happy with the proposed budget and suggested cutting he proposed additional \$10,000.00 for the Beautification Committee. Commissioner Sutton agreed with Mayor Trefry on holding off on the additional monies. Mayor Trefry further stated that utilities will be increasing and there is better use of funding for this year.

**Vice-Mayor Harding** thanked City Administrator Dave Turner for his work and stated that he is seeing some consistencies in the second year. Vice-Mayor Harding reminded everyone of significant process in the securing of grants and funding, and that the American Rescue Act was great help in helping the city this year. Vice-Mayor Harding further recalled new facilities and services for residents which reflected in the budget. Vice-Mayor Harding continued saying that he believes the City Administrator is showing great leadership and having done a great job on how where the City is going. Vice-Mayor Harding recalled that the previous year's budget meeting evolved around City Hall and he

believes this year the focus should shift to employee retention and ideas on how to implement it. The Vice-Mayor continued talking about challenges of increased inflation and interest rates, finding candidates, and a new state law regarding cyber security and associated training requirements. Vice-Mayor Harding stated his observance from previous year's budget to these years and asked on funding for bridge repairs. City Administrator Turner stated that American Rescue Money has been allocated for Sadowski Causeway, and that additional monies are coming in which do not affect millage and is not in this presentation. City Administrator Turner further stated that once the contract by the new engineering services firm is signed, a review will be made, and send out to bid again. City Administrator Turner reported that the previous bid was not completed due to not having enough information and was closed. City Administrator Turner further reported that the Gazebo behind the City Hall trailer is in bad shape and will be inspected as well and remaining American Rescue monies can be used for repairs. City Administrator Turner further explained that a lot of capitol improvements in the City are covered by grants which will be listed in the Infrastructure in the next budget. Vice-Mayor Harding asked if reserve money should be put away for future maintenance of the bridge which City Administrator Turner confirmed. City Administrator Turner further said that road funds can be used as well but that funding was reduced significantly this year. and clarified further details on this years and upcoming budget cycle. Vice-Mayor Harding asked City Administrator Turner to revisit short-term rental license fees and stated that Key Colony is not competitive with other cities in the Keys. The Vice-Mayor further asked about boat trailer parking and a lower budget number than anticipated. City Administrator Turner stated that he wanted to be conservative with the number due to the trailer lot not being rented out consistently. Vice-Mayor Harding further asked about election expenses being included in the budget. City Administrator Tuner explained that this is out of caution in case the Election Office is not able to continue with Key Colony Beach elections due to staff shortages. Vice-Mayor Harding further asked on Wastewater and Stormwater budget numbers to which the City Administrator explained he has most numbers but is working with the Utility Clerk on finalization. Vice-Mayor Harding further suggested an increase in salary for the city clerk and police sergeant with consideration to job and supervisor responsibilities. City Administrator Turner stated that he can make the requested adjustments and give the Commission a comparison of prior salaries. Vice-Mayor Harding further reported on his submitted sheet on employee retention ideas. The Vice-Mayor recalled on having significant employee turnover in his previous employment and lessons learned from it. Vice-Mayor Harding continued reporting the cost and time of retraining of new employees and loss of efficiency associated with it. The Vice-Mayor continued giving examples on additional procedures on how to improve employee retention and anticipated time for implementation. Vice-Mayor Harding suggested implementing some of these ideas due to the turnover the city is experiencing. The Vice-Mayor further suggested an outside source

for an exit interview as a beneficent tool to gain honest feedback from an employee. Mayor Trefry asked City Administrator Turner on how the city compares to the county in health insurance benefits. City Administrator Turner stated that he would like to answer all of the Vice-Mayor's points on submitted ideas. City Administrator Turner answered that employee salaries are being adjusted, funds for bonuses will be reviewed, and a budget for exit interviews and procedures with an outside source will be reviewed. Vice-Mayor Harding stated that the City Attorney's law firm offers this service with different lawyers available. City Administrator Turner continued saying that he offers every employee flexibility in their schedule and does not micro-manage the staff. The Commission and City Administrator further talked about the flexibility that is already available. City Administrator Turner further commented that the city's benefits package is the only one in the county with no deductions taken out of employee's salary. The City Administrator further reported that Monroe County's benefits are less than the city with money taken out of the salary and that spouses are covered by the county but at a significant cost. The City Administrator further explained the city's benefits to the Commission. Vice-Mayor Harding stated that one on one meetings with employees are beneficial even though it might take a while to see true feedback.

**Secretary/Treasurer DeNeale** thanked City Administrator Turner and staff and stated that he wants to make sure the millage is set right and that employees are taken care of as well as flexibility in reserves. Secretary/Treasurer DeNeale continued saying that the vacation rental impact has to be thought of, as well as rising sea levels and associated costs. Secretary/Treasurer DeNeale recommended an at least 10% raise in vacation rental fees, and to keep the long-term vacation rentals as low as possible with possible additional incentives. Secretary/Treasurer DeNeale further stated he is happy with City Administrator Turner's performance and that the city has the flexibility to raise salaries in December if need be. Secretary/Treasurer DeNeale thanked the Commission.

City Administrator Turner updated the Commission on the upcoming LiDAR work which should start in the first week of August. The City Administrator explained that this will give a data base on where the city stands regarding the condition of the roads. City Administrator Turner continued saying that this will give an indication on how much the city has to reserve for road repairs.

**Commissioner Sutton** thanked everyone for their hard work and stated this was a very productive meeting.

**Commissioner Ramsay-Vickrey** thanked everyone for a great budget meeting and thanked City Administrator Turner for a well-prepared budget. Commissioner Ramsay-Vickrey agreed with the omittance of the Beautification Committee budget request and further stated to hope to see the use of solar lights in the future. The Commissioner suggested that possibly her unused stipend from this year can be used for the gazebo and agreed on mitigating any possible negative vacation rental impact to ensure the best

possible life for residents and visitors. Commissioner Ramsay-Vickrey closed by stating her appreciation of the staff and the salary increases. Commissioner Ramsay-Vickrey further cautioned to support the chain of command and not to interfere to cause confusion or possible undermining. Commissioner Ramsay-Vickrey thanked the Commission for a great budget meeting. Commissioner Ramsay-Vickrey confirmed to Commissioner Sutton that she is not taking a Commissioner stipend this year. The Commission had brief discussion on the legality of not taking a stipend and City Attorney Dirk Smits stated he will provide the Commission with legal backup on the issue. Commissioner Ramsay-Vickrey clarified that she will start accepting the stipend next year.

City Administrator Turner recapped that with keeping the millage the same and the Commission's input he is confident in the budget and insurance costs. Mayor Trefry asked if another workshop is needed which City Administrator Turner answered is the Commission's decision. The Commission decided to add an additional budget workshop discussion to the Commission meeting on August 25<sup>th</sup>.

4. **Department Requests:** City Administrator Dave Turner stated that all requests have been received and were included in the budget. The Department Heads had no additional comments.

5. **Questions/Comments** – None.

6. **Adjournment:** The meeting adjourned at 10:33 A.M.

Respectfully submitted,

*Silvia Gransee*

City Clerk

**ADOPTED: August 25, 2022**

*Silvia Gransee*

City Clerk