

MINUTES

KEY COLONY BEACH

Pre-Budget Workshop

Thursday, May 26, 2016, 1:00 p.m.

City Hall Conference Room

1. **Roll Call:** *Present:* Mayor Jerry Ellis, Vice Mayor Ron Sutton, Secretary Treasurer Jim Pettorini, Commissioner John DeNeale and Commissioner April Tracy. *Also Present:* City Clerk Kathryn McCullough, Assistant Building Official Steve Britske, and Police Chief Kris DiGiovanni. *Excused:* Building Official Ed Borysiewicz. Public - 0

2. FY 2016/2017 Budget Discussion

The Mayor stated the idea behind this meeting is to discuss the budget in a relaxed mode, without any specific numbers attached. He stated it is not his intention to consider a roll back this year.

The Mayor would like to discuss an increase in the stipends for the Mayor and the Commissioners this year. The City code requires an annual cost of living increase, each year, for the Mayor and the Commissioners. The first and last time the stipend was increased was 2008. Vice Mayor Sutton stated it was not increased in previous years due to other budget considerations. City Attorney Wright had reported to the City Clerk that this is an ordinance therefore not increasing the stipend by the COLA is in direct violation of the code. The Commission would need to amend the ordinance if a COLA adjustment is not to be added to the stipend. Vice Mayor Sutton suggested amending the Code so the COLA adjustment would not have to be added every year. Commissioner Pettorini stated there is a difference between an increase in the stipend and a COLA adjustment to the stipend. The Mayor indicated the reason for raising this issue is because it is getting more and more difficult to get anyone to run for elected office. He feels one of the reasons may be the low stipend. Commissioner DeNeale stated he is in agreement with the Mayor's premises for the exact reasons he stated. Commissioner Tracy asked what the other local commission members receive. The Mayor reported Islamorada is \$12,000., Marathon is \$18,000. and Key West is \$22,500.

The Mayor reported in the last 2 years the employees were given a 3% bonus in a onetime check as opposed to receiving an increase in their base rate. The Mayor is suggesting an across the board increase to the employee base rate this year. Vice Mayor Sutton agreed with the Mayor on an increase to the employee base rate. Vice Mayor Sutton has obtained the COLA numbers for the Miami/Ft. Lauderdale area and the total for the US. Additionally he obtained salary information from Monroe County and Marathon. Islamorada has not responded to him as of today. City Clerk McCullough reported the 3% bonus is calculated on the hourly rate, therefore, from one year to the next there is no actual increase in compensation. Based on this the City Clerk would like to see a significant increase above the COLA.

City Clerk McCullough reported the City has 4 separate computer programs used to operate the City. The Building Department uses Filemaker Pro, the Administrative Staff uses Access and has 3 separate companies on QuickBooks. Access is a very old program, 2008 or older, which holds no historical information. None of the programs communicate with each other, therefore a simple address change must be made in a minimum of 4 programs. She would

like to have a consultant evaluate the best direction for the City with respect to software. Assistant Building Official Britske reported both the City of Marathon and Monroe County are considering using the same permitting program. He feels it would be beneficial to Key Colony Beach to use the same program they do. He believes Marathon leases the current program. The City Clerk reported the other need is a new server. KCS reports the space on the current server is almost maxed out.

Assistant Building Official Britske would like to build reserves for building maintenance such as roof repairs, also for all the Tiki huts in the City. He would also like to outfit the new trucks with a complete set of tools, so an employee has everything needed to complete a job without having to run constantly back to the Public Works garage. Reserves for the pier at Sunset Park and for the boardwalk area at Waterfront Park are needed. A second riding mower is needed as the Golf Course and Public Works share the same mower. Dumpster fees will increase. Mr. Britske would also like get a dump trailer to move equipment around. Commissioner Pettorini stated that hardware and software are as important as upgrades to the sewer plant. Vice Mayor Sutton indicated said that equipment that would last for 5 years or better can be purchased through the Infrastructure Fund. Purchases through the Infrastructure Fund do not affect ad valorem taxes.

The Mayor wanted to discuss a decrease in reserve funding. He went on to explain that he meant finding other sources to fund City needs. Christine Mearns has identified many areas where grant funding is available. He stated examples of police vehicles and maintenance of pickle ball courts. There are many areas in the grant programs that Christine is uncovering for us. Vice Mayor Sutton stated we should have the grant before we delete the reserve from the budget.

Commissioner Pettorini asked if there was a tolerance level for an increase in taxes. Vice Mayor Sutton remarked that back in 2008, and for several years thereafter, was not a time for a tax increases. The economy was bad and people were losing their homes. The City held to rollback during these years and used reserves to fund budget shortfalls. The economy is better now and property values are increasing. But, he cautioned, this might not continue. Commissioner DeNeale agreed with the Vice Mayor. Commissioner DeNeale believes as long as an increase is justified the public will go along with it. He also believes reserves need to be looked at to see what is really needed. Vice Mayor Sutton indicated there are currently reserves in place for some of the issues raised by Mr. Britske.

Mayor Ellis reported on the funds, in the various fund categories, that were brought forward from last year. He reported the following cash carryovers; \$1,534,000. in the General Fund, \$86,000. in the Road Fund, \$375,000. in the Infrastructure Fund, \$35,000. in the Impact Fund, and \$1,429,000. in the Sewer/Stormwater Funds.

Vice Mayor Sutton asked if the insurance companies had been called to get an idea of what type of increases to expect in health insurance, property insurance and flood insurance. The Mayor said that had not been done yet but it would be done before the next budget workshop.

Chief DiGiovanni said the only items he was looking at were reserves for vehicles, replacing the laptops, cameras and ADD devices in the vehicles. The balance of his budget should be essentially be the same as last year, with the correction of the error made last year for retirement expenses. The City Clerk explained a formula was blown in the budget worksheet

for last year resulting in under budgeting the retirement costs for the Police Department by \$15,000. She apologized for the error.

Vice Mayor Sutton asked if a call had been placed to the Property Appraiser to get an estimate of property values. The City Clerk answered in the negative but said she would make the call.

The next budget workshop is scheduled for June 20, 2016 at 9:30 AM.

The meeting adjourned at 11:10 a.m.

Respectfully submitted,
Kathryn McCullough, City Clerk

Note: These minutes are unofficial and have not been formally approved by the Commission. The approval will be at the next scheduled Commission meeting.
