

MINUTES

KEY COLONY BEACH CITY COMMISSION

BUDGET WORKSHOP

Monday, July 13, 2026 – 10:00 AM

At the Temporary Meeting Place for the City of Key Colony Beach at
The Key Colony Inn, Back Patio, 700 W. Ocean Drive, Key Colony Beach, Florida
& via Zoom Conferencing

1. Call to Order, Pledge of Allegiance, Prayer and Roll Call: The Key Colony Beach City Commission Budget Workshop was called to order by Commissioner Tom Harding at 10:00 AM, followed by the Pledge of Allegiance, Prayer and Roll Call. **Present:** Mayor Freddie Foster (via Zoom), Vice-Mayor Doug Colonell (via Zoom), Commissioner Tom Harding, Commissioner Tom DiFransico, and Commissioner Kirk Diehl (via Zoom). **Also present:** City Administrator John Bartus, Building Official Tony Loreno, Public Works Department Head Mike Guarino, Chief of Police Jamie Buxton, Administrative Assistant Par Darnall, City Clerk Silvia Roussin.

Public Attendance: 0

City Clerk Roussin stated that Mayor Foster, Vice-Mayor Colonell, and Commissioner Diehl were attending via Zoom, and that physical quorum requirements did not apply because the meeting was a workshop only.

2. FY2026/2027 Budget Proposals

- a. FY26/27 Draft General Budget
- b. FY26/27 Draft Utility Board Budget
- c. FY26/27 Budget Adoption Calendar

Commissioner Harding presented the draft budget and reviewed prior-year, current-year, and actual budget figures. The proposed budget included staff recommendations, pending grant applications, and CPI-based increases. Commissioner Harding reviewed proposed changes for the upcoming fiscal year, including the proposed millage increase, the total taxable assessed value, and an estimated average tax increase of 4.63 percent. He also discussed proposed residential wastewater, commercial wastewater, and stormwater rate increases and their effect on the yearly tax bill. He noted that final figures were not yet available for fire and EMS costs, which are expected in early September, or for health and dental insurance costs, which are expected in late August. Commissioner Harding also reviewed the combined net summary, including reserves, proposed rate increases, use of reserves, ad valorem revenue, building department funds, and the reserve contribution. He stated that the First Horizon loan is expected to be fully utilized during the first quarter, wastewater reserves are negative, and a \$10.00 increase is proposed for residential and commercial wastewater rates while some reserves are used.

3. Commission Discussion

- a. Mayor Foster
- b. Vice-Mayor Colonell
- c. Commissioner DiFransico
- d. Commissioner Diehl
- e. Commissioner Harding

Commissioner Harding asked whether the Commission had questions or concerns regarding the proposed millage rate. Mayor Foster asked about grant funding and whether grant awards would need to be added to the budget. Mayor Foster also discussed pending grant applications awaiting decisions. Vice-Mayor Colonell asked how grants affect millage rates. Commissioner Harding explained that grant funds are entered as revenue and offset by corresponding expenses. He stated that grants with no City match would not affect the millage rate, while any required match would need to be recovered through the millage or reserves. He also noted that the budget may be revised after September if needed, provided there is a significant change. Commissioner Diehl expressed concern about the proposed millage rate. Commissioner Harding discussed projected final spending for the current budget year and stated that, if spending is below budget, the City may be less negative than projected. Commissioner Harding estimated potential negative balances to be paid from reserves and expressed hesitation about lowering the millage rate. Commissioner DiFransico asked about CPI-based increases and expressed concern about reserve spending. Commissioner Harding reviewed estimated reserves after current-year spending is complete and stated that reserves may not be readily available next tax year. He advised that keeping the millage rate the same could create a larger problem next year. Commissioner DiFransico asked about possible substantial claims related to City Hall, which Commissioner Harding stated had been incorporated into his calculations. Commissioner DiFransico suggested setting a higher millage rate at this time, with the option to lower it later. Commissioner Harding recommended reviewing two options with moderate increases, while remaining mindful of state expectations and staying within recommended limits. Mayor Foster stated that he was inclined to stay at the proposed millage rate but would like to see options. Commissioner DiFransico asked whether the accountants could provide analysis on how the proposed ballot changes would affect the City. Commissioner Harding stated that additional analysis would be completed after budget discussions are finished. He noted that it remained unclear where parks and public works fit within the budget and whether they are part of ad valorem funding. Commissioner Harding further stated that the budget is not based on future years, that the November election will not affect taxes until the following year because taxes are based on assessed values in December, and that the millage rate alone does not significantly affect reserves. No further questions were raised.

4. Citizen Comments: None.

5. Adjournment: The workshop was adjourned at 10:28 AM.

Respectfully submitted,

Silvia Roussin

City Clerk

ADOPTED: August 20, 2026

Silvia Roussin

City Clerk