

ISLAMORADA VILLAGE COUNCIL

**Village Council Budget Workshop
Founders Park Community Center
87000 Overseas Hwy
Islamorada, Florida 33036**

**Thursday, August 9, 2012
At 3:00 PM**

I. CALL TO ORDER / ROLL CALL

Mayor Reckwerdt called the meeting to order at 3:13 p.m. and requested Village Clerk Debra Eastman call the roll. The following Council members were present on roll call: Councilman Don Achenberg, Councilman Ted Blackburn, Councilman Dave Purdo, Vice Mayor Ken Philipson and Mayor Michael Reckwerdt.

II. PLEDGE OF ALLEGIANCE

Mayor Reckwerdt invited Dr. Stan Margulies to lead the Pledge of Allegiance.

III. PUBLIC COMMENTS

There was no public comment.

IV. ITEMS FOR DISCUSSION

A. Presentation of the Remaining FY 12-13 Special Revenue Funds

1. Solid Waste Fund

Finance Director Maria Aguilar explained that the Village Council will be asked to adopt a non ad valorem assessment for solid waste at the Regular Village Council meeting scheduled later in the day. Ms. Aguilar informed the Village Council that the solid waste fee is increasing in accordance with the Village's agreement with Veolia Environmental Services and based upon the change in CPI. There was discussion about the purpose of the committed fund balance accumulating in the fund. The Village Council agreed to leave the fund balance untouched in case of an emergency situation which would require the cleanup of solid waste.

2. Affordable Housing Fund

Finance Director Maria Aguilar explained the expenditures from the Affordable Housing Fund during the past year. There was discussion regarding the WetNet project. Ms. Aguilar explained that because the Village Council directed that impact fees for affordable housing be reduced, it was estimated that the affordable housing fees received will decrease during the next year. Deb Gills asked whether the Affordable Housing Fund would be impacted by a suggested reimbursement of sewer hookup fees for affordable housing. Council members responded that at this time use of committed fund balance for this purpose could not be determined but that the Council would have to address the issue at a later time.

Debt Service Fund

Finance Director Maria Aguilar explained that the Debt Service Fund reflects the principal and interest payments on governmental debt for the next year and that there is no fund balance amount is carried in this fund.

B. Presentation of the FY 12-13 Enterprise Fund Budgets

1. PYH Marina Enterprise Fund

Finance Director Maria Aguilar explained that the proposed FY 2012-2013 budget for the PYH Marina Enterprise Fund does not reflect any overage of revenues over expenses. Ms. Aguilar cited the need to transfer funds from the Capital Projects Fund, in most part, to cover debt service.

There was discussion regarding the Marina's outstanding debt and the Marina's tax exemption status based upon the facility's non-profit status.

There was discussion about the rates charged by the Marina, the areas of shallow draft and available technical enhancements to the credit card equipment in use at the Marina.

Finance Director Maria Aguilar explained her plan to review the cash procedures used at the Marina facility to ensure internal controls are in place and that credit card fees for manual processing of payments are minimized.

2. Stormwater Utility Enterprise Fund

Finance Director Maria Aguilar explained that there will be a resolution for the consideration of the Village Council at the Regular Village Council meeting later in the day to establish a stormwater non ad valorem assessment rate. Ms. Aguilar further explained that a portion of the Public Works Director's and the Assistant Public Works Director's salaries are included in the Stormwater Enterprise Fund in consideration of their management of the fund.

Public Works Director John Sutter provided the Village Council with an update on the Toll Gate Shores project which is not being charged to the Stormwater Enterprise Fund but to the Capital Project Fund due to insufficient funds in the Stormwater Enterprise Fund.

3. Wastewater Utility Enterprise Fund

Finance Director Maria Aguilar explained the structure of the Wastewater Enterprise Fund and that currently a transfer from the General Fund to cover debt service taken on the reclaimed water project is made. After discussion, the Village Council decided to discontinue transfers from the General Fund to the Wastewater Fund for the debt on the reclaimed water project.

Ms. Aguilar explained that it is possible that the Village will have to secure a loan for the Fontaine and South Coconut Palm wastewater repair projects.

Councilman Purdo questioned the \$1,000,000 budgeted for land acquisition in the Remaining Service Areas budget. Wastewater Program Director Greg Tindle identified parcels that are being considered for the placement of the vacuum pump stations for wastewater. Mr. Tindle explained that there will also be a need for easements and legal costs associated with the project.

Councilman Purdo questioned the cost of engineers and architects included in the Wastewater Enterprise Fund budget. Wastewater Program Director Greg Tindle explained the engineering duties and the anticipated workflow process. Stan Margulies informed the Council that the Florida Keys Aqueduct Authority will provide engineering assistance.

There was discussion regarding the \$61 million budgeted for the Design, Build, Operate wastewater project in the Remaining Service Areas. Finance Director Maria Aguilar explained that because contract negotiations with Reynolds (Layne) are not yet finalized, a schedule of constructions values was not yet available for budget purposes. She further explained that the \$61 million in costs for FY 2012-2013 is an estimate provided by Reynolds staff. Once a schedule of values is available, Ms. Aguilar acknowledged that she will need to set up accounts in the general ledger to record project segment costs and to facilitate capitalization. Ms. Aguilar planned to provide details to the Village

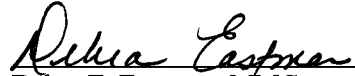
Council as the project progresses and will prepare a budget amendment for Council approval as necessary.

III. COUNCIL DISCUSSION

Councilman Purdo announced the recent passing of former resident Captain Bill Neubauer. Captain Neubauer resided in Islamorada for many years and will be sadly missed.

IV. ADJOURNMENT

A motion was made by Councilman Achenberg to adjourn. The motion received a second from Councilman Purdo. The meeting adjourned at 4:38 p.m.



Debra E. Eastman, MMC
Village Clerk

Approved by the Village Council this 21st day of August, 2012.